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Survey of Selling Costs

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1983 Survey of Selling Costs

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How's this for news? The sales cost barometer declines!

By THAYER C. TAYLOR
Editorial Director
Survey of Selling Costs

The laws of Galileo and Sir Isaac Newton finally caught up with S&MM's Selling Cost Index (SCI). The SCI, a mathematical measurement of basic field selling costs (meals, lodging, and auto rental) declined 2.3% in 1982, the first time it has turned downward since S&MM began monitoring field selling costs in 1972.

However, despite the SCI's dip, costs in the several other areas covered by *S&MM's* annual *Survey of Selling Costs* continued to increase in 1982. And the SCI itself is expected to resume its upward course this year, albeit at a moderate pace.

While marketers who had become resigned to ever-rising field selling costs may find it hard to believe that the SCI actually moved in the opposite direction, there is some substantiation from another source of data on sales costs: PHH Group's Travel Expense Management System, whose reports are the basis for S&MM's Sales Expense Index (SEI) (see page 26).

Rates vs. spending

It's important to note the distinction between the two indexes. The SCI measures the *per diem rates* reported by restaurants, hotels, and car-rental companies polled by S&MM in 84 metro markets, while the SEI measures the *actual spending* of salespeople by companies that give their monthly expense reports to the PHH Group, which in turn develops industry-wide averages for meals, lodging, auto rental, entertainment, and several other cost factors.

Theoretically, the SEI should show smaller year-to-year changes than the SCI because sales managers, trying to offset escalating rates, will stress the use of economy facilities, arrange for corporate discounts, and take advantage of vendors' special business offers. For the most part, this is what has happened since 1972, the base year for both indexes, as can be seen

1983 SCI forecast: Back to normal

Field selling costs will resume their upward slant in 1983 as S&MM's Selling Cost Index (SCI) is expected to post a 7.0% increase. Encouragingly, this will be the smallest year-to-year increase since 1977's 4.0% rise.

Remarkably, all three elements of the SCI will advance in tandem.

Meal tabs are likely to move up 6.0%, according to the National Restaurant Assn., reflecting higher beef prices and marketing costs. Meal prices will hold steady the first part of the year, then rise as the economy improves, the trade group says.

Lodging rates will post a 7.7% increase, Randall Smith, associate research director, Laventhol & Horwath, told the U.S. Travel Data Center's annual outlook forum. A 2.6% rise in occupancy rates will help nudge room rates upwards, he added.

Auto-rental rates, the SCI's most volatile component, will increase 7.0%, Technomic Consultants predicts, as rental companies end their price-cutting binge and try to improve earnings.

All told, the weekly bill for putting a salesperson on the road should reach $686.05 this year vs. $641.00 last year. However, with corporate profits likely to make a strong comeback this year, the SCI's modest 7.0% increment means that operating margins will have their healthiest look in years.

S&MM's projection of 1983 Selling Cost Index (SCI)

	Average Weekly Cost		*% Increase*
	1983	*1982*	*(Est.)*
Food & drink	$153.70	$145.00	6.0%
Auto rental	273.65	255.75	7.0
Lodging	258.70	240.20	7.7
Total	**$686.05**	**$641.00**	**7.0%**
Selling Cost Index (1972 = 100)	**273.9**	**255.9**	**7.0%**

Source: *Sales & Marketing Management's 1983 Survey of Selling Costs.*
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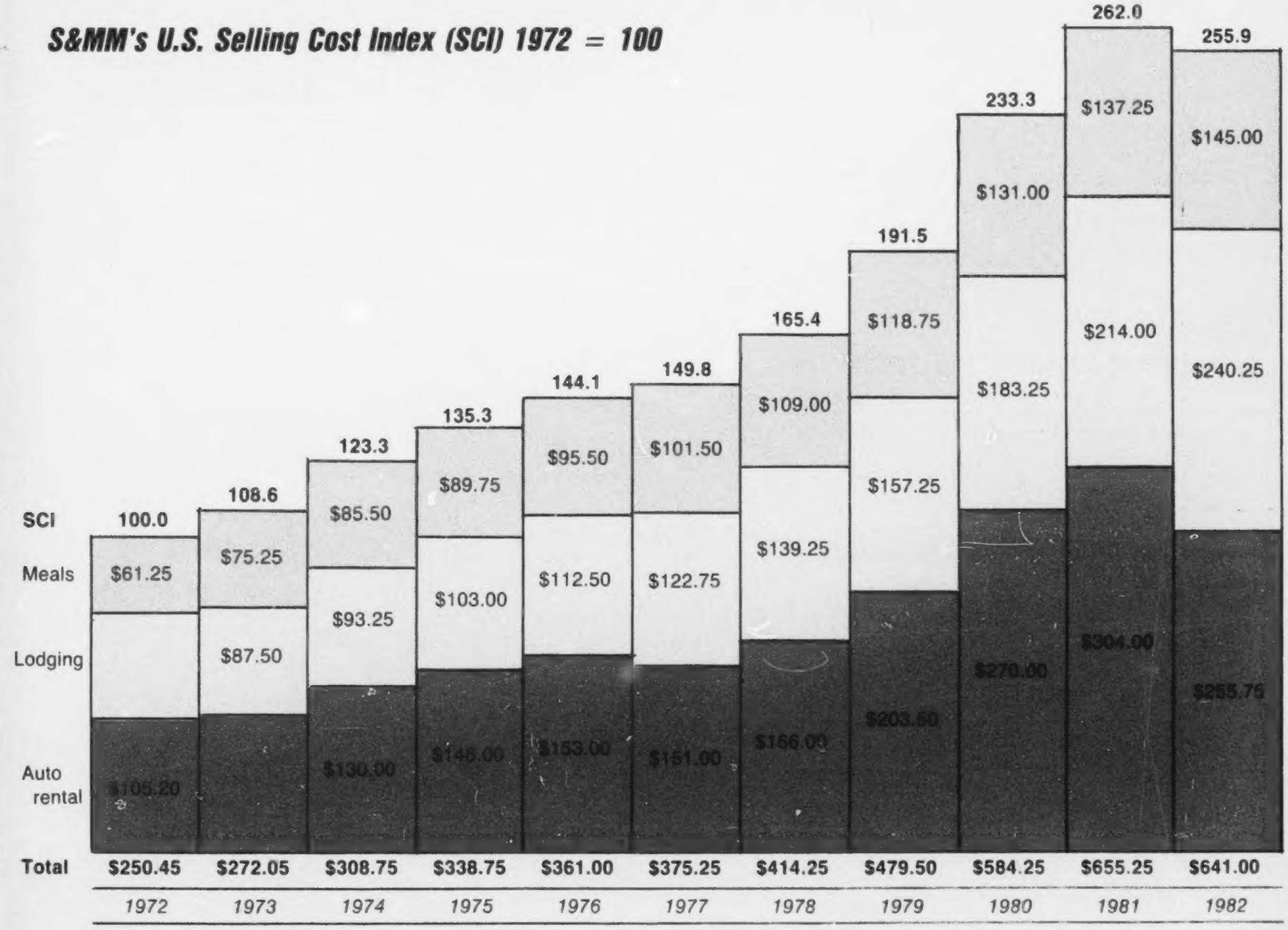
S&MM's Selling Cost Index (SCI)

The Selling Cost Index (SCI) is calculated by "costing out" a typical five-day week for a salesperson based on the 84 metropolitan markets profiled in Section II (page 43). Sales expenses are computed for the three basic costs: meals (including two drinks a day), single-room lodging, and auto rental plus mileage and gasoline for 250 miles. Taxes are not included because they vary too widely among markets (see Table II-3, page 65). Also excluded are intercity travel costs—air, rail, and bus—because they don't occur as often as the SCI cost factors.

An 84-market average is computed for each SCI component, and the three resultant figures are added up for the overall U.S. total.

In 1982, a typical week cost the salesperson $641.00. The base year for the SCI is 1972, when a typical week's costs came to $250.45. The SCI is derived by dividing the current year's dollar total by the base year's figure.

S&MM's U.S. Selling Cost Index (SCI) 1972 = 100



Source: *Sales & Marketing Management's 1983 Survey of Selling Costs.*
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S&MM's SCI edged downward 2.3% in 1982 because of a sharp 15.9% decline in the auto-rental component. This may seem unusual, but when Technomic, a Chicago consulting company, gathered the car-rental data for 84 metropolitan markets in the 1982 fourth quarter, the auto-rental companies were engaged in a fierce battle for market share. Special promotions lowered the rates below what they were in the year-ago period. To confirm its findings, Technomic analyzed the expense reports of its own consultants for 1981 and 1982 and found a similar pattern. For example, the company says, car-rental costs were down 10.0% in Los Angeles–Long Beach, 14.6% in Chicago, and 22.8% in Atlanta.

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from this comparison of annual changes:

Year	SCI	SEI
1972–73	+ 8.6%	+ 4.6%
1973–74	+ 13.5	+ 4.3
1974–75	+ 9.7	+ 6.8
1975–76	+ 6.5	+ 9.9
1976–77	+ 4.0	+ 7.0
1977–78	+ 10.4	+ 4.8
1978–79	+ 15.8	+ 9.3
1979–80	+ 21.8	+ 15.2
1980–81	+ 12.3	+ 15.8
1981–82	− 2.3	− 0.5

Contributing to the SCI's downturn was 1982's depressed economy and its effect in slowing overall inflation. With factories operating at only two-thirds of capacity, and businesses more interested in cutting, rather than building, inventories, selling activities moved to a lower level.

Indeed, the U.S. Travel Data Center, Washington, DC, reports that business travel through September 1982 was 2% under the prior year's pace. Then, in October, the latest month for which data are available, business travel plummeted another 20%.

This downdrift is confirmed by two revealing figures from PHH Group's reports: The typical salesperson last year consumed 18% fewer restaurant meals and spent 18% fewer nights in a hotel.

As for the SCI itself, intense price wars among auto-rental companies triggered the decline. Average cost of a day's three meals rose 5.5%, to $24.75, and a night's lodging rose more than twice as fast, up 12.3%, to $48.05. The car-rental component of the SCI, on the other hand, plunged 15.9%.

Interestingly, increases in the SCI's meals and lodging costs jibe closely with what the Bureau of Labor Statistics (BLS) reported in its monthly consumer price index (CPI). According to the BLS, "food away from home" rose 5.3% in 1982 and "lodging while out of town" shot up 11.6%.

A direct comparison of auto-rental costs is harder to come by because BLS groups car rentals with several other components in what it calls "other automobile-related fees." That category rose 8.6%, compared to the SCI's decline in car rentals.

Like the BLS data, PHH Group's statistics tally with the SCI as far as meals and lodging are concerned, but differ as to auto rentals. The typical salesperson last year shaved his meals and hotel spending 10.3% and 7.0%, respectively, according to the PHH Group's reports, but his auto-rental outlays skyrocketed 173.4% (a high figure partly due to a low starting point).

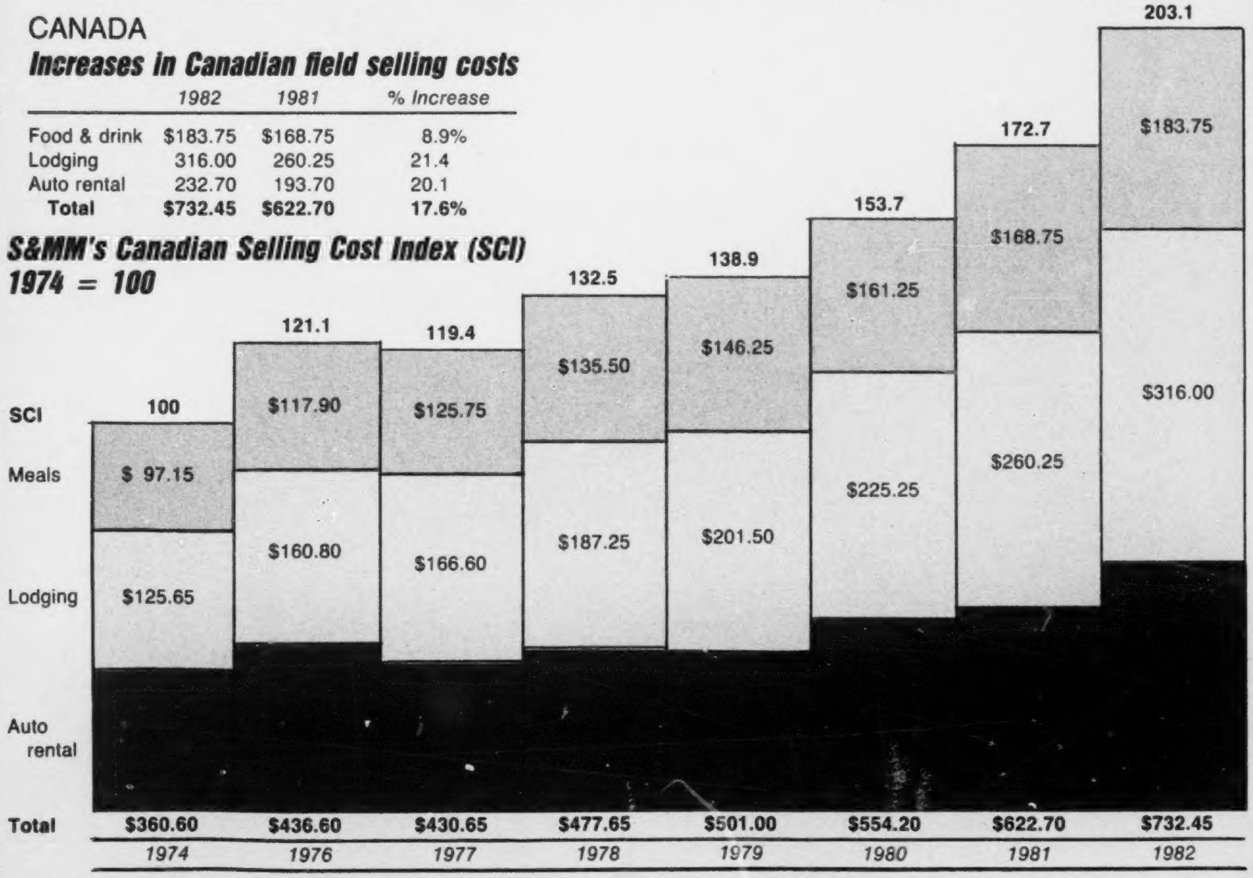
If one had applied the BLS's 8.6% increase for "other automobile-related fees" to the SCI, the index would have moved up, rather than down, in 1982. The BLS increase would translate into an auto-rental component of $330.15 and a total SCI of

CANADA

Increases in Canadian field selling costs

	1982	1981	% Increase
Food & drink	$183.75	$168.75	8.9%
Lodging	316.00	260.25	21.4
Auto rental	232.70	193.70	20.1
Total	**$732.45**	**$622.70**	**17.6%**

S&MM's Canadian Selling Cost Index (SCI) 1974 = 100



Note: Canadian dollars.
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SURVEY HIGHLIGHT

Changes in U.S. Selling Cost Index components

Category	% Change 1981–82	 1980–81
Lodging	+12.3%	+16.8%
Food & drink	+ 5.6	+ 4.8
Auto rental	−15.9	+12.6
Selling Cost Index	**− 2.3%**	**+12.3%**

Source: *Sales & Marketing Management's 1983 Survey of Selling Costs.*

JOSEPH FARRIS

"I've permanently lost my momentum."

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$715.40. This figures out to a 9.2% gain in the SCI, which, ironically, is practically the same as the 9.3% increase that the *Survey* a year ago had predicted for 1982.

Regardless of what did happen to the SCI, the several other areas of selling costs covered in the *Survey's* five statistical sections uniformly show an upward curve, although the 1982 increases generally trailed long-term trends. However, the distinctions among overall patterns are important enough to merit a close look at the *Survey* data when it comes to monitoring salespeople's performance.

Take compensation, for example. Among industrial goods companies, salespeople on a straight salary did slightly better last year than long term, chalking up an 8.9% increase vs. an annual 8.4% gain in the 1976–81 period. However, just the opposite was true for those paid salary-plus-incentive, their 8.4% gain last year coming in just below the 8.8% rate they enjoyed in the same five years.

Training costs moderate

A greater discrepancy between 1982 results and long-term trends characterized consumer goods marketers. There, the 11.4% gain scored by salespeople in salary-plus-incentive plans was considerably better than their 7.7% long-term trend, but salespeople on straight salary made do with a smaller 7.8% increase compared to their 9.4% long-term improvement.

Sales training costs, not surprisingly, had smaller run-ups for the most part in 1982, as marketers focussed their attention on trying to unearth buyers in a depressed economy. Consumer goods companies' sales training costs rose only 5.6%, which was, roughly, only a third of the annual 16.0% increase posted in the 1976–81 period. Industrial goods companies slashed their rate of increase almost in half, 7.0% in 1982 vs. 13.3% in the five-year period.

On the other hand, service companies, which usually are not as hard hit by recessions, managed to maintain their long-term spending pattern. Their 14.4% increase in sales training costs showed little deviation from a long-term rise of 15.5%.

Two facilities that are being used more frequently, budget motels (for economy) and airport hotels (for convenience), displayed dramatic contrasts last year.

Single-room rates at budget

SURVEY HIGHLIGHTS

Where sales costs are rising the fastest

Metro Area	Per Diem % Increase 1981–82	Per Diem % Increase 1980–81
Providence-Warwick-Pawtucket, RI	18.5%	7.5%
Nashville-Davidson, TN	16.8	5.7
Akron	16.0	14.3
St. Louis	15.9	9.0
Jersey City, NJ	15.7	8.2[1]
San Antonio	15.5	1.6
Chicago	15.3	10.0
Denver-Boulder	15.2	6.9
Oklahoma City	15.2	9.0
Worcester-Fitchburg-Leominster, MA	15.0	10.5
U.S.	**9.9%**	**12.3%**

[1] Estimated.

Although U.S. per diem costs (meals and lodging) rose at a slower pace last year, the markets with the fastest-increasing costs did not fare as well. Costs in all of those markets shot up faster than in 1981, especially in San Antonio, Denver-Boulder, Nashville-Davidson, and Providence-Warwick-Pawtucket. Three of the markets suffered their second consecutive dosage of double-digit increases: Chicago, Akron, and Worcester-Fitchburg-Leominster.

Continued rise in cost per sales call

Type Of Salesperson	Median 1982 Cost Per Call	% Increase 1981–82	% Increase 1980–81	1974–82 Annual Rate
Account representative	$83.40	**3.0%**	9.8%	10.3%
Detail salesperson	41.35	**10.0**	8.7	11.8
Sales engineer	95.15	**5.8**	9.5	8.5
Industrial products salesperson	77.85	**29.8**	11.0	13.1
Service salesperson	54.80	**23.4**	10.4	12.3

Note: Median 1982 cost per call is calculated from the data in the four cost-per-call tables on page 38. It is developed in this manner, with Account Representative data serving as an example: (1) Lowest direct sales cost ($42,350) divided by highest number of calls (1,140) equals $37.15. (2) Highest direct sales cost ($49,250) divided by the lowest number of calls (380) equals $129.60. (3) To arrive at the midpoint of the two cost-per-call averages, add them up ($166.75) and divide by 2, which results in a median $83.40. All figures are rounded to the nearest nickel.

Changes in sales meeting cost elements

	Per Person Per Diem 1982	Percent Increase 1981–82
Total per diem/per person	$111.40	7.6%
Lodging	35.35	10.3
Meals	39.10	8.5
2 coffee breaks	5.95	5.3
Reception	20.25	1.3
Hospitality-suite rental	6.85	6.2
Meeting-room rental	3.85	14.9

Note: Based on per-person cost of one-night lodging at low double-room rate, three meals, two coffee breaks, two-hour reception, and both hospitality-suite rental and meeting-room rental for 25 persons.
Source: *Sales & Marketing Management's 1983 Survey of Selling Costs.*

ST. PETE/TAMPA METRO.

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motels bounced up 12.2% in 1982, adhering to their annual 11.2% rate of the 1976–81 period. As a result, their price advantage over downtown hotels (whose rates are used in Section II: Metro Sales Costs) has slimmed from 51% in 1976 to 45% in 1982.

Airport hotels were a different story. Buffeted by the decrease in business travel, they had to hold the line on rates to remain competitive. Their single-room rates crept up only 2.9% last year, vs. 15.8% long term, and meal tabs even less, 1.0% vs. 9.6% long term. Consequently, the premium they enjoy in room rates over downtown hotels is the same today as it was in the mid-1970s: 36%.

These are only a few snippets of the actionable information the marketer will find in the *Survey* as to what is happening to costs in such areas as compensation, sales meetings, sales training, sales support,

Step-by-step sequence in preparing a sales costs budget

(Bold-faced numbers in the drawing refer to explanations in adjoining column)

Step-by-step sequence in preparing a sales costs budget

TERRITORY PERIOD			FORECAST OF FIELD SELLING EXPENSES							
1. *Major Cities*	2 *Forecast Sales*	3. *Budgeted Salaries*	4. *Lodging*	5. *Food And Drink*	6. *Auto Rental*	7. *Misc (Parking Taxi, Tips)*	8. *Entertainment*	9. *Other Travel*	10. *Promotional*	11. *Total City Expenses*
12. Total	$									
13. % Total/ Territory	%		%	%	%	%	%	%	%	%
14. Total Territory	$									
15. Budgeted Salaries	$			Gross						
16. Forecast Expenses	$	Forecast		Dollar						
17. Total Expenses	$ ___ -	Sales	$ ___ =	Return On Sales	___ %					

1. List the major cities in your territory that are included in *Section II: Metro Sales Costs*.

2. Enter the forecast sales for each city.

3. List in total only the budgeted salaries of the territory sales manager and salespeople as fixed costs.

4. Estimate the number of nights to be spent in each city and multiply by the lodging averages shown in Section II.

5. Estimate the number of meals and drinks per day in each city (S&MM assumes an allowance of two drinks per day per salesperson) and multiply by the appropriate food and drink medians that are shown in Section II.

6. If an auto will be rented, estimate the number of miles per week. *Multiply* the number of days by the rate per day, *add* the sum of the number of miles times the rate per mile, *add* insurance of $2 per day, and subtract your company discount (if any). Auto-rental data are in Sections II and VI.

7. Estimate the miscellaneous expenses.

8. Add entertainment costs by multiplying the dinner and drink rates (for each city) by the number of clients or customers entertained.

9. Estimate other travel expenses—air, train, or bus fares—that may be incurred in trips to the home office or to sales meetings.

10. Estimate promotion expenses by including advertising, sales promotion, trade shows, meetings, and so on that may be charged to the territory.

11. Total expenses across columns 4 to 10 to derive expenses by city.

12. Total all expenses shown in columns 4 to 11.

13. Calculate the percent of the territory's sales that will be accounted for by total sales of the cities listed; do the same for expenses. *A possible short-cut:* Assume that a city's percentage of total territory sales will be the same as its share of total territory expenses.

14. Enter the expected total sales of the territory.

15. Enter total budgeted salaries.

16. Enter total forecast expenses for the cities from column 11. Total salaries and expenses should be adjusted for any overhead—rent, utilities, secretarial expenses—charged to the sales office.

17. Add salaries (item 15) and expenses (item 16). Subtract total expenses (item 17) from forecasted sales (item 12), giving the gross dollar return on sales. This gross dollar return can then be converted to a percentage figure by dividing by the forecast sales total. Comparing the percent shown here with your company's targeted profit ratio tells you if you are on target. If you are not, analysis of the data may suggest the reasons why.

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and transportation. Measuring his own cost management against what is revealed by the *Survey* will help him improve his performance in this vital area in 1983.

SURVEY HIGHLIGHTS

How good are the Survey data?

Cost Category	*% Change 1981–82*
Meals	
Survey	+ 5.5%
CPI	+ 5.3
PHH	− 10.3
Lodging	
Survey	+ 12.3
CPI	+ 11.6
PHH	− 7.0
Auto rental	
Survey	− 15.9
CPI	+ 8.6
PHH	+ 173.4

Note: *Survey* data are per diem rates, gathered in the fourth quarter of 1982. CPI data are annual averages for the prices charged. PHH data are monthly averages of actual spending, based upon the January to November period.

How local sales meeting costs are changing

City	*Per Person Per Diem 1982*	*Percent Increase 1981–82*	***Index 1982 U.S. = 100***
NORTHEAST	$126.00	8.3%	**113**
Boston	130.90	9.1	**118**
New York	167.05	10.8	**150**
Philadelphia	101.90	3.4	**91**
Pittsburgh	104.05	8.4	**93**
MIDWEST	95.70	6.3	**86**
Chicago	113.80	5.2	**102**
Cleveland	99.75	9.5	**90**
Detroit	92.20	0.2	**83**
Indianapolis	79.45	9.4	**71**
Milwaukee	82.45	4.7	**74**
Minneapolis	97.80	7.4	**88**
St. Louis	104.45	8.2	**94**
SOUTH	118.25	8.5	**106**
Atlanta	102.25	9.4	**92**
Dallas	103.80	3.0	**93**
Houston	115.80	7.5	**104**
Miami	129.55	9.8	**116**
New Orleans	127.65	12.8	**115**
Orlando, FL	96.75	10.3	**87**
San Antonio	116.65	6.2	**105**
Washington, DC	153.55	8.7	**138**
WEST	110.95	7.2	**100**
Honolulu	114.20	7.2	**103**
Las Vegas	95.20	12.9	**85**
Los Angeles	114.80	10.3	**103**
Phoenix-Scottsdale	106.40	4.4	**96**
San Diego	104.30	4.8	**94**
San Francisco	130.85	5.1	**117**
U.S.	**$111.40**	**7.6%**	**100**

Note: Data not comparable with previous *Surveys* because of change in methodology. Based on per-person cost of one-night lodging at low double-room rate, three meals, two coffee breaks, two-hour reception, and both hospitality-suite rental and meeting-room rental for 25 persons.

Source: *Sales & Marketing Management's 1983 Survey of Selling Costs.*

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What it costs to get into teleconferencing

Tandem Computers, Cupertino, CA, known for its innovative management style, is one of the companies setting up its own videoconferencing capabilities. Here is how the company describes what is involved:

Equipment rental per teleconference

Uplink (dish antenna)	$2,500 for first day; $1,500 for additional consecutive days (per site). Tandem currently broadcasts to 16 sites.
Satellite time	$340 per hour with one-hour minimum. Available for $170 per half hour after the initial hour.
Monitoring and switching service	$85 per broadcast.

Company resources used in teleconference

Downlink (TV receive-only dish antenna; i.e., earth station)	Downlinks cost $6,835 for a permanent unit. Tandem currently owns six. Mobile units cost $9,000 apiece, because of the trailer. Tandem owns 10; more units are being set up.
Production equipment	TV studio with cameras, lights, and all other necessary equipment.
Production staff	Permanent video staff of 14 people who spend approximately 50%–65% of their time producing teleconferences. Staff includes camera operators, producer, director, technical director, software engineers, and others. People are also brought in from other departments to handle incoming queries on teleconference materials. Some technical positions are filled through a local college internship program. Approximately 30 people are needed to produce a teleconference.

Approximate cost of disseminating information without a teleconference

The cost factors involved in conventional classes or seminars are the travel costs for each person, including air fare, hotel, and meals. In the case of new product announcements, salespeople are flown to four or five central locations. Thus, travel costs of corporate staff to make the presentations must be taken into account, too. Such costs, naturally, vary with the length of the trip and accommodations provided. A conservative estimate for a three- to four-day trip involving a flight out of state is $1,000 per person. To give this figure some meaning, the smallest number that has viewed a Tandem teleconference is 50, the largest, more than 3,000. This results in a minimum conventional cost of $50,000 in disseminating the information. Of course, there is no way to calculate the potential revenue loss of taking salespeople out of the field for one or more days of presentations.

Cost of a one-hour teleconference once the initial equipment has been obtained

Uplink	$2,500
Satellite time	340
Monitoring and switching	85
Total	**$2,925**
	+ personnel and equipment overhead

Sales meetings enter the electronic age

Advances in communications technology and falling prices are persuading more companies to use teleconferences for sales meetings. A survey by Runzheimer and Co., Rochester, WI, reveals that 15% of U.S. companies used video to cut business travel costs. A new study by Quantum Science Corp., New York City, predicts that the number of business teleconferences will explode from 89,400 in 1981 to 1.8 million by 1986, says Christine H. Ehrenbard, associate director of the consulting company's communications and teleconferencing strategy program.

Gary Badoud, president, VideoNet, Woodland Hills, CA, a producer of teleconferences, says that costs of teleconferences have dropped from 23% to 29% between 1980 and 1982, depending upon the number of cities used. He says costs are being pushed down by the increased availability of satellite receiving equipment, expanding supply of portable equipment, installation of permanent receiving facilities at more major hotels, and adaptation of cable TV for teleconferences.

Average teleconference costs

	10 Cities	20 Cities	30 Cities
1980	$40,500	$65,500	$75,500
1981	33,500	53,500	63,500
1982	28,500	46,500	57,500

Note: Teleconferencing costs, based on average costs of a management presentation to sales force members in the number of cities designated, include: TV equipment, satellite transmission, reception at all sites, meeting-room charges, one-way video/two-way audio, and a 6-ft. screen at each location.
Source: VideoNet.

How teleconferencing cuts Allied Van Lines' meeting costs

	1980 Road Show	1981 Video Conference
Cities	6	27
People	650	1,300
Employee expenses	$ 54,000	$13,000
Facilities expenses	44,000	42,000
Production expenses	89,000	37,000
Total expenses	**$187,000**	**$92,000**
Cost per attendee	**$288.00**	**$71.00**

Note: Data are for Allied Van Lines' annual presentation for dealers and distributors. A travelling road show that visited 6 cities in 1980 was replaced in 1981 with a single video conference that was beamed to more cities (27) and at a cheaper total cost.
Source: VideoNet.

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SELLING EXPENSE INDEX

A welcome letdown —for a change

Sales executives topped President Reagan when it came to fighting inflation last year. While the President boasts of *slowing* overall inflation from a double-digit clip, sales chiefs went him one better by actually reversing the upward spiral of basic field selling expenses.

S&MM's **Selling Expense Index (SEI)**, which measures *actual spending* by salespersons as reported by clients to the PHH Group, Baltimore, dramatically edged downward by one-half of a percentage point in 1982. In terms of dollars, average monthly spending on meals, lodging, auto rental, and entertainment dipped from $324.46 in 1981 to $322.99 in 1982.

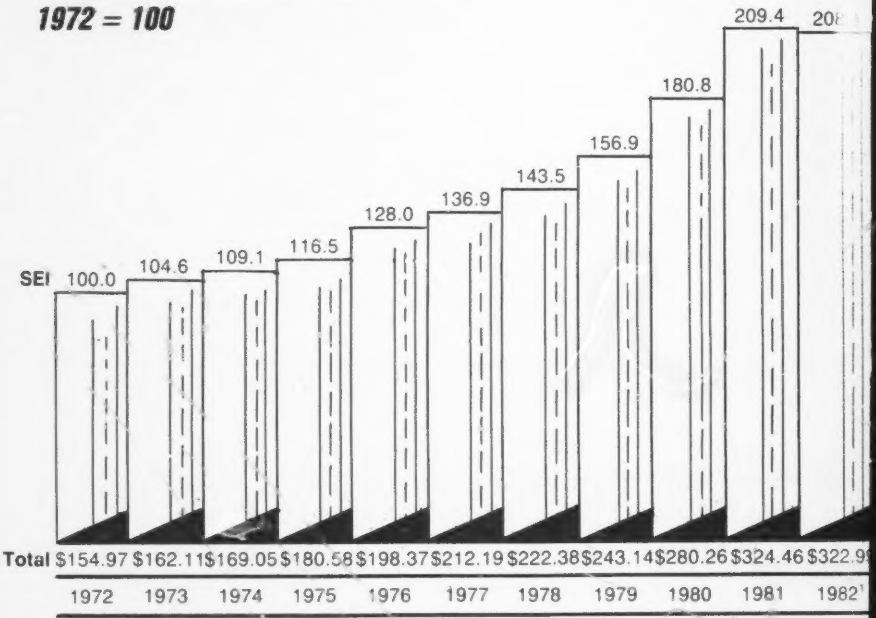
Always a first time

The small dip may not seem like much, but it is significant in two respects. One, it was the first year-to-year decline since the index's 1972 base year. Two, it snaps a three-year skein that saw the SEI soar at accelerating rates—up 9.3% in 1979, 15.2% in 1980, and 15.8% in 1982.

A close look at PHH's figures reveals that the turnabout came mostly from tighter controls in the meals and lodging areas. Monthly outlays on meals dropped 10.3% in 1982 and lodging spending fell 7.0%.

These reductions were achieved by curbing salespeople's travel time. According to

Selling Expense Index (SEI)
1972 = 100



[1] Year-to-date through November.

Note: Includes average monthly spending for meals, lodging, auto rental, and entertainment. Auto-rental data not reported separately prior to 1979. Index figures not comparable with those in the *1982 Survey* because air travel expenses were included last year but not this year.

Source: PHH Group, Travel Expense Management Systems, *Travel Expense Management Report*.

SURVEY HIGHLIGHT

S&MM's regional and national selling cost averages and per diem indexes: 1982

Region	Lodging	Meals	Per Diem Total	Per Diem Index	Cost Of Two Drinks
Northeast	$50.15	B $ 4.20 L $ 6.05 D $14.30	**$74.70**	103	$4.25
Midwest	44.05	B $ 4.05 L $ 5.55 D $13.80	**67.45**	93	4.05
South	48.15	B $ 4.30 L $ 6.45 D $14.50	**73.40**	101	4.60
West	49.60	B $ 4.75 L $ 6.80 D $14.35	**75.50**	104	4.25
U.S.	**$48.05**	**B $ 4.30** **L $ 6.20** **D $14.25**	**$72.80**	**100**	**$4.25**

Note: B—breakfast, L—lunch, D—dinner. Per diem index is the ratio between a region's per diem total and the U.S. per diem total.
Source: *Sales & Marketing Management's 1983 Survey of Selling Costs*. Reproduction strictly prohibited.

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PHH Group data, the typical salesperson averaged 3.2 nights in a hotel per month last year. This was a sharp comedown from the 3.6 average of the 1977–81 period.

As a consequence, salespeople ran up fewer meal tabs. Last year, the typical salesperson consumed an average 15.6 meals per month, as compared to 18.5 in 1977–81.

Apparently, sales managers had their field sales personnel do a lot more telephone selling as well as make more use of direct mail. Postage and supplies costs charged to sales personnel almost doubled last year, according to the PHH Group. Furthermore, the recession's negative impact on purchasing agents' buying plans also crimped the frequency of face-to-face selling.

Interestingly enough, while salespeople spent less time on the road, their car-rental bills skyrocketed 173%, PHH Group data reveal. This suggests that when they were on the road salespeople put in much more mileage scouting for new prospects or buyers in a mood to buy.

Hosting turns lean

The recession also hurt the relaxing side of selling. Entertainment outlays crept up only 2%, compared to a whopping 17% in 1981.

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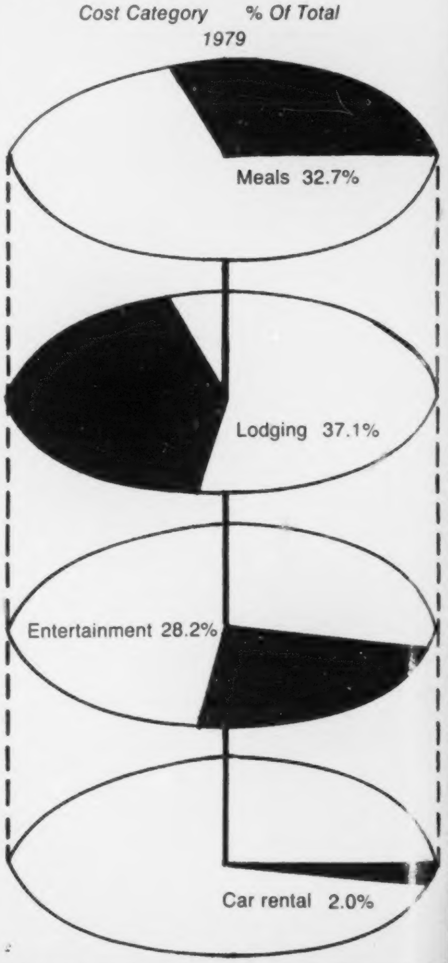
The changing mix of selling expenses: Less fun

Selling has become a more serious business in more ways than one in recent years. While the meals and lodging shares show little change, entertainment has seen a drop of 7.2 percentage points, most of which has been taken up by car-rental costs.



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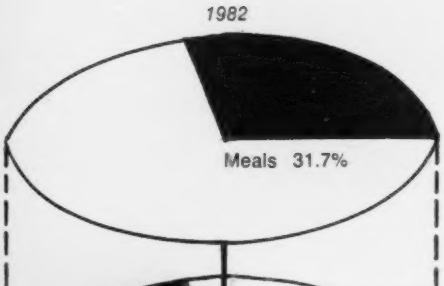
The PHH Group's expense reports to clients include several cost elements in addition to the ones in the SEI, such as air travel, telephone and telegraph, postage and supplies, and miscellaneous. On that basis, the total monthly average costs reported by the PHH Group rose 4.6% in 1982, to $599.24. This was a healthy improvement over 1981's 13.7% jump and 1980's 16.1% run-up. —TCT



ource: PHH Group, Travel Expense Management ystems, *Travel Expense Management Report.*

A good time to increase your ad budget is when your competitor is decreasing his.

Although business-to-business advertising works very well for you, it works very well for your competitor, too.

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SURVEY HIGHLIGHT

How regional per diem costs are changing

Region	1982 Cost	% Increase 1981–82	% Increase 1980–81
Northeast			
Meals	$24.55	5.1%	0.4%
Lodging	50.15	12.2	17.2
Total	74.70	9.8	10.8
Midwest			
Meals	23.40	4.2	6.4
Lodging	44.05	12.1	15.8
Total	67.45	9.2	12.2
South			
Meals	25.25	6.5	5.3
Lodging	48.15	12.4	17.2
Total	73.40	10.3	12.7
West			
Meals	25.90	6.8	5.4
Lodging	49.60	12.3	12.3
Total	75.50	10.4	9.8
U.S.			
Meals	**$24.75**	**5.5%**	**4.9%**
Lodging	**$48.05**	**12.3%**	**16.8%**
Total	**$72.80**	**9.9%**	**12.3%**

Source: *Sales & Marketing Management's 1983 Survey of Selling Costs.*

SURVEY HIGHLIGHT

How direct sales costs are changing

Type Of Salesperson[1]	Median Direct Sales Costs 1982	% Change 1981–82	Compound Annual % Increase 1974–82
Account representative			
Total	**$45,800**	**+ 6.9%**	**11.3%**
Compensation	35,350	+19.0	10.4
Auto and T&E[2]	10,450	−20.5	14.7
Detail salesperson			
Total	**42,750**	**+10.6**	**12.2**
Compensation	30,250	+ 7.8	10.1
Auto and T&E	12,500	+17.9	19.5
Sales engineer			
Total	**53,700**	**+ 6.9**	**8.7**
Compensation	38,250	+ 9.0	8.1
Auto and T&E	15,450	+ 2.0	10.4
Industrial products salesperson			
Total	**58,750**	**+29.4**	**12.7**
Compensation	40,200	+27.8	11.0
Auto and T&E	18,550	+33.0	17.8
Service salesperson			
Total	**55,300**	**+26.8**	**12.5**
Compensation	38,850	+23.9	10.5
Auto and T&E	16,450	+34.3	19.3

[1] See page 37 for definition of salesperson type.

[2] T&E: Travel and entertainment, including meals and lodging.

Source: *Sales & Marketing Management's 1983 Survey of Selling Costs.*

SURVEY HIGHLIGHT

High-cost markets and low-cost markets

Highest sales costs

Rank	Metro Area	1982 Per Diem Index U.S. = 100
1.	New York	160
2.	San Francisco–Oakland	157
3.	Chicago	147
4.	Washington, DC	143
5.	Los Angeles–Long Beach	138
6.	Miami	130
7.	New Orleans	127
7.	Paterson-Clifton-Passaic, NJ	127
9.	Boston	121
9.	Newark, NJ	121

Lowest sales costs

Rank	Metro Area	1982 Per Diem Index U.S. = 100
84.	Dayton	75
83.	Canton, OH	76
82.	Springfield-Chicopee-Holyoke MA	77
81.	Omaha	78
80.	Wichita, KS	79
79.	New Bedford–Fall River, MA	81
79.	Springfield, IL	81
77.	Little Rock–North Little Rock, AR	82
76.	Des Moines	83
76.	Indianapolis	83
76.	Jacksonville, FL	83
76.	Louisville	83
76.	Memphis	83
76.	Riverside-San Bernardino-Ontario, CA	83

Source: *Sales & Marketing Management's 1983 Survey of Selling Costs.*

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With one exception, the ten highest-cost markets (in terms of meals and lodging) are the same as previous years. The single change saw Newark displace Fort Lauderdale–Hollywood. However, New York, Boston, and Washington, DC, improved their relative costs compared to national averages. Among the lowest-cost markets, the Midwest dominated with 7, followed by the South, 4, Northeast, 2, and West, 1. That's probably because the Midwest had the highest unemployment rates last year, making it that much more difficult to push cost increases through.

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Principles of Successful Sales Call Reporting Systems

No. 3

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The 1983 outlook for selling expenses —and what you can do about it

By H. ROBERT HEID
Director
Travel Expense Management
PHH Group

While most economists see an inflation rate in the 5%-6% range this year, our forecast projects field selling expenses rising almost twice as fast, 9%–11% by year-end. That's because of the nature and frequency of business travel purchases. Moderate lodging costs and reasonably stable meal costs will be overbalanced by increased air travel and the greater number of overnight trips and meal purchases associated with the friendly skies.

Here's what will happen to the individual components:

Meals. Look for a 5%–6% increase in meal tabs, the result of incrementally higher labor rates and utility costs.

Lodging. Hotel/motel bills should inch up no more than 3% if sales managers make a conscious effort to direct their salespeople to facilities that offer economy as well as convenience.

Auto rental. Daily rates should remain close to 1982 levels. Heavy competition in this industry works to the salesperson's favor. However, unless salespeople are advised to use suppliers known to offer equal cars at lower rates, rental-car expenses will likely climb 25% faster than the overall inflation

SURVEY HIGHLIGHT
Evening dining costs in major cities

City
Atlanta
Boston
Chicago
Cleveland
Dallas
Detroit
Houston
Los Angeles
Miami
Minneapolis
New York
Philadelphia
San Francisco
St. Louis
Washington, DC
15-city average

Source: Sales & Marketing Management survey.

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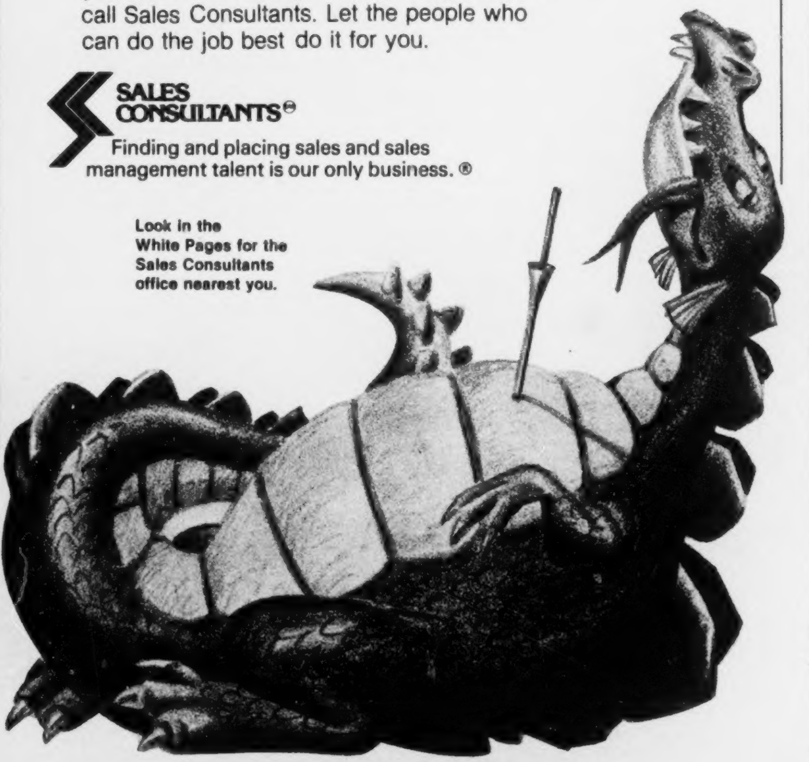

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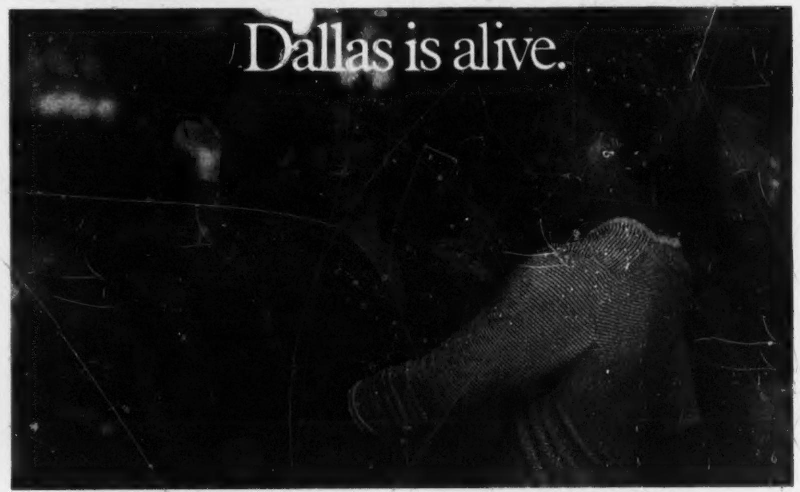
rate. Incidentally, PHH forecasts that gasoline will average $1.25 per gal., compared to last year's $1.33.

Air travel. Expect a 12% increase, possibly more. The tax on airline tickets was increased from 5% to 8% last September. Payrolls and replacement of older aircraft will be significant cost contributors. And trip frequency will increase as the economy improves. Discounted fares will still abound this year, so the smart salesperson will have many opportunities to economize.

Entertainment. A highly controllable element of field selling expenses, this investment covers a broad spectrum, from the golf course to a seat in the ball park, with four-star restaurants in between. The most important consideration in budgeting for entertainment is management's perception of what entertainment actually contributes to business objectives. One thing is certain: Unless salespeople know the ground rules, the drift will be to higher expense levels. Sales trainees, in particular, should be given direction that is consistent with corporate policy. Anything less can cause confusion or, even worse, spending habits counterproductive to job performance. In 1982, noticeable belt tightening held the cost upturn for entertainment to less than 2%. We anticipate a year of restraint, but not as severe, with an increase topping out at 8% by year-end.

Estimated Cost For 2	
Range	*Median*
$ 61.50–$113.60	$103.05
65.55– 122.55	89.10
82.35– 104.60	98.60
79.00– 94.30	83.30
65.95– 150.95	119.55
70.60– 143.60	88.20
65.20– 150.40	96.40
62.40– 164.10	92.45
80.00– 130.40	96.30
71.65– 118.70	100.75
104.55– 216.60	116.55
101.40– 117.05	109.55
90.75– 133.50	115.60
85.70– 116.00	93.15
78.25– 127.95	119.85
$ 77.65–$133.60	**$101.50**

Definition: Cost is for dinner (prime ribs or the house specialty, excluding entrées such as lobster which are priced at current market prices) for two persons at a white tablecloth restaurant selected from the 100 top restaurants for business dining in S&MM's Business Executives' Dining Awards. The price includes two cocktails apiece, one bottle of wine, one cordial each, tax, and 15% gratuity.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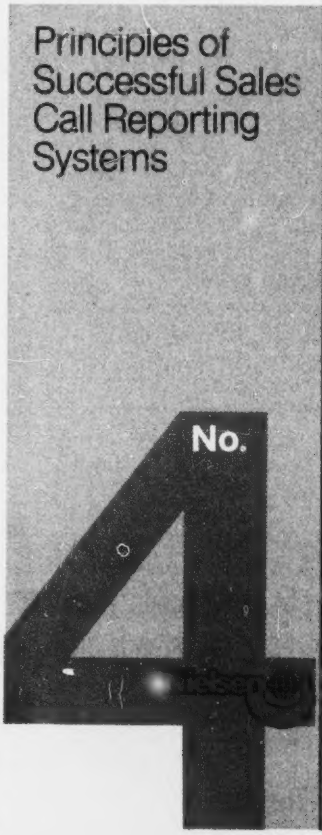
Principles of Successful Sales Call Reporting Systems
No. 4

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AN S&MM EXCLUSIVE

Sales call costs in a holding pattern

By THAYER C. TAYLOR
Editorial Director
Survey of Selling Costs

Cost-per-sales-call increases continued to moderate in 1982 for the second straight year. Overall, the cost of making a sales call rose only 5.7%, just under 1981's 5.8% pace. More significantly, the rise was appreciably below the long-term trend line of 9.2% for the 1974–81 period.

However, the spectrum of cost increases for the five different categories of salespersons (see explanatory box, page 37) was much broader in 1982 than the previous year. The increases ranged from 3.0% for account representatives to 29.8% for industrial products salespersons. In between those two parameters, call costs rose 5.8% for sales engineers, 10.0% for detail salespersons, and 23.4% for service salespersons.

By way of contrast, cost increases for all five types in 1981 clustered close together, from 8.7% for detail salespersons to 11.0% for industrial products salespersons.

Although overall call-cost increases fell below long-term trend lines, two categories clocked much faster run-ups. The industrial products salesperson's 29.8% increase more than doubled its annual 10.9% increment in the 1974–81 period, and the service salesperson's 23.4% increase did the same vis-à-vis its 10.8% long-term rate.

Two of the other three categories posted call-cost increases well below their trend lines. Sales engineers' costs rose 5.8% in 1982 compared to an annual 8.9% rise for 1974–81, and account representatives' costs rose only 3.0% vs. the 11.4% long-term rate. The 10.0% rise for detail salespersons was slightly under the 12.2% long-term rate.

Most of 1982's call-costs increase was due to higher travel and entertainment expenditures (T&E). According to the American Management Assns.' (AMA) data on which S&MM's cost-per-call estimates are based, T&E outlays by service salespersons shot up 34.3% (vs. a 23.9% compensation gain) and those of industrial products salespersons climbed 33.0% (vs. 27.8% for compensation). Detail salespersons also saw their T&E spending outstrip compensation, 17.9% vs. 7.8%.

Sales engineers, on the other hand, maintained a firmer grip on T&E, such spending rising only 2.0%, compared to a 9.0% compensation increase. While account reps enjoyed a 19.0% compensation gain, their T&E outlays dropped 20.5%, says

Cost-per-call sampler: Take your pick

	Cost-Per-Call Estimates			
	1979	1980	1981	1982
S&MM's Survey	**$ 69.40**	**$ 72.65**	**$ 76.85**	**$ 81.25**
Cahners	N.A.	128.53	142.95	152.75
Dartnell	71.90	N.A.	106.91	N.A.
McGraw-Hill	137.02	N.A.	178.00	N.A.

N.A.—Not available.

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AMA. This unexpected falloff may be a statistical fluke because AMA's annual survey drew a much weaker response from consumer goods companies last year than in prior years. Such companies make up the bulk of industries covered by the account rep category.

Interestingly, the relative cost rankings of the five salesperson categories is the same today as it was when S&MM began reporting cost per call in 1974. Not surprisingly, sales engineers have the highest cost per call, $95.15, followed by account reps, $83.40, industrial products salespersons, $77.85; service salespersons, $54.80; and detail salespersons, $41.35.

However, the spread between the highest and lowest call costs has narrowed considerably. Back in 1974, the sales engineer's call costs were 194% greater than those of the detail salesperson. Last year, the gap was cut to 130%.

S&MM's call costs are appreciably lower than those report-

The five types of salespeople

These are the five categories of salespeople studied in S&MM's annual Survey:

Account representative—A salesperson who calls on a large number of already established customers in, for example, the food, textiles, apparel, or wholesaling industries. Much of this selling is low key and there is minimal pressure to develop new business.

Detail salesperson—A salesperson who, instead of directly soliciting an order, concentrates on performing promotional activities and introducing products. The medical detail salesperson, for example, seeks to persuade doctors, the indirect customers, to specify the pharmaceutical company's trade name product for prescriptions. The company's actual sale is ultimately made through a wholesaler or direct to pharmacists who fill prescriptions.

Sales engineer—A salesperson who sells products for which technical know-how and the ability to discuss technical aspects of the product are extremely important. The salesperson's expertise in identifying, analyzing, and solving customer problems is another critical factor. This type of selling is common in the chemical, machinery, and heavy-equipment industries.

Industrial products salesperson, nontechnical—This salesperson sells a tangible product to industrial or commercial purchasers; no high degree of technical knowledge is required. Industries such as packaging materials or standard office equipment use this type.

Service salesperson—A salesperson who sells intangibles, such as insurance and advertising, who must be able to sell the benefits of intangibles.

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TABLE I-1

Typical salespeople's call patterns

Type Of Salesperson		Average Calls Per Day Territory A	Average Calls Per Day Territory B	Estimated Days In Field Per Year	Average Calls Per Year Territory A	Average Calls Per Year Territory B
Account	R*	4–6	2–3	190[1]	760–1,140	380–570
representative	**M****	**5**	**2.5**		**950**	**475**
Detail	R	6–10	4–6	190[1]	1,140–1,900	760–1,140
salesperson	**M**	**8**	**5**		**1,520**	**950**
Sales	R	4–7	3–4	141[2]	564–987	423–564
engineer	**M**	**5.5**	**3.5**		**775.5**	**493.5**
Industrial products	R	6–8	3–5	190[1]	1,140–1,520	570–950
salesperson	**M**	**7**	**4**		**1,330**	**760**
Service	R	8–10	4–6	190[1]	1,520–1,900	760–1,140
salesperson	**M**	**9**	**5**		**1,710**	**950**

* R: Range of calls.

** M: Mean number of calls.

[1] Based on 5 days, 52 weeks per year, less 1 day per week office nonfield work, less 6 holidays, and less 15 days for vacation and sickness.

[2] Based on 239 workdays, less 2 days per week in office (49 weeks).

Territory definitions: **A**—Usually a metro area where customers are concentrated, the salesperson can make several calls at one location, or the sales manager's philosophy emphasizes maximum calls per day. **B**—Customers are dispersed and longer sales calls are required to sell a product or service. Source: Sales & Marketing Management survey.

TABLE I-2

Direct sales costs of salesperson's calls

	Range Of Yearly Direct Sales Costs				
Type Of Salesperson	Compensation Range	Compensation Average	Average Expenses[1]	**Total 1982**	Total 1981
Account representative	$19,100–51,600	$35,350	$ 7,000–13,900	**$42,350–49,250**	$36,200–49,500
Detail salesperson	19,500–41,000	30,250	7,500–17,500	**37,750–47,750**	33,650–43,650
Sales engineer	25,500–51,000	38,250	8,800–22,100	**47,050–60,350**	42,800–57,700
Industrial products salesperson	20,400–60,000	40,200	5,600–31,300	**46,000–71,500**	35,850–54,950
Service salesperson	20,000–57,700	38,850	6,600–26,300	**45,450–65,150**	32,850–54,350

[1] Includes average travel, entertainment, meals, lodging, and auto expenses.

Note: Base salary + commission or bonus ranges obtained from American Management Assns., *Sales Personnel Report*, 1982 edition.

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ed by two other surveys. McGraw-Hill's biennial survey reported a call cost of $178.00 for 1981, while Cahners Publishing reported $152.75 for 1982.

However, the other two surveys show the same deceleration in call-cost increases that S&MM revealed. McGraw-Hill's estimate represents a 29.9% increase in the 1979–81 period as against a much bigger 41.6% for 1977–79. The 6.9% increase Cahners estimated for 1982 was a sharp falloff from the 11.2% run-up it reported for 1981.

Methodological differences explain why S&MM's call costs are lower than those of the other two sources. For one thing, while McGraw-Hill and Cahners limit their surveys to industrial goods companies, which have relatively higher costs, S&MM covers consumer goods and services companies as well.

For another thing, S&MM

TABLE I-3
Direct sales costs per salesperson's call

Type Of Salesperson		1982 Direct Sales Cost	Calls Per Year Territory A	Calls Per Year Territory B	Cost Per Salesperson's Call Territory A	Cost Per Salesperson's Call Territory B
Account	R*	$42,350–$49,250	760–1,140	380–570	$37.15–$64.80	$74.30–$129.60
representative	M**	**45,800**	**950**	**475**	**60.00**	**101.95**
Detail	R	37,750–47,750	1,140–1,900	760–1,140	19.85–41.90	33.10–62.85
salesperson	M	**42,750**	**1,520**	**950**	**30.90**	**48.00**
Sales	R	47,050–60,350	564–987	423–564	47.65–107.00	83.40–142.65
engineer	M	**53,700**	**775.5**	**493.5**	**77.35**	**113.05**
Industrial products	R	46,000–71,500	1,140–1,520	570–950	30.25–62.70	48.40–125.45
salesperson	M	**58,750**	**1,330**	**760**	**46.50**	**86.95**
Service	R	45,450–65,150	1,520–1,900	760–1,140	23.90–42.85	39.85–85.70
salesperson	M	**55,300**	**1,710**	**950**	**33.40**	**62.80**

* R: Range: Middle 50% arrayal of responses.
** M: Mean: Midpoint between each set of ranges.
Note: Median Cost Per Salesperson's Call $= \frac{\text{Direct Sales Cost}}{\text{Average Calls Per Year}}$

TABLE 1-4
Cost per call by effective call days per week

Type Of Salesperson		5 Days Per Week Territory A	5 Days Per Week Territory B	4 Days Per Week Territory A	4 Days Per Week Territory B	3 Days Per Week Territory A	3 Days Per Week Territory B
Account	R*	$29.55–$51.50	$59.05–$103.05	$37.15–$64.80	$74.30–$129.60	$50.10–$87.35	$100.15–$174.70
representative	M**	**40.55**	**81.05**	**60.00**	**101.95**	**68.70**	**137.40**
Detail	R	15.80–33.30	26.30–49.90	19.85–41.90	33.10–62.85	26.75–56.50	44.60–84.65
salesperson	M	**24.55**	**38.10**	**30.90**	**48.00**	**41.60**	**64.60**
Sales	R	N.T.E.		47.65–107.00	83.40–142.65	64.25–144.25	112.40–192.30
engineer	M	**N.T.E.**		**77.35**	**113.05**	**104.25**	**152.35**
Industrial products	R	24.05–49.85	38.50–99.75	30.25–62.70	48.40–125.45	40.30–84.55	65.25–169.10
salesperson	M	**36.95**	**69.15**	**46.50**	**86.95**	**62.70**	**117.20**
Service	R	19.00–34.05	31.70–68.15	23.90–42.85	39.85–85.70	33.20–57.75	53.70–115.50
salesperson	M	**26.55**	**49.90**	**33.40**	**62.80**	**45.00**	**84.65**

* R: Range
** M: Mean
N.T.E.: Not typical experience.

Note: 5-day workweek based on 239 workdays, 4-day workweek based on 190 workdays, 3-day workweek based on 141 workdays. Each assumes an annual 15 days of vacation and sick time, and 6 holidays.
Source: Sales & Marketing Management survey.

limits its costs to those the salesperson or sales manager can control, such as meals, lodging, travel, and entertainment, whereas the other two sources allow the respondents of their mail surveys to include such factors as administrative overhead.

A third important distinction applies to personnel. The AMA data S&MM draws upon apply to specific job functions; that is, line sales personnel below the level of regional or district manager. McGraw-Hill's questionnaire, in contrast, tells respondents to include "all salespeople and anyone else who makes sales calls," making it possible for vice presidents and other high-compensation executives to be included. S&MM

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How to create your own cost-per-call efficiency index

S&MM's cost-per-call data can help you evaluate the effectiveness of your own management of this critical cost-ratio. Because the data are detailed for types of salespeople and selling situations, they are most helpful if you develop your own **Sales Call Efficiency Index** that you can then use to monitor the efficiency of your field sales force.

1. **Call patterns.** Information on your salespeople's call patterns (Table I-5) can be gained either by totalling the number of calls listed on call reports or by multiplying the average number of calls per day by the number of days salespeople spend in the field.

2. **Direct sales costs.** Unless you keep your own records, company financial records will provide much of the information on direct sales costs (Table I-6). They can be supplemented by the sales force's expense accounts, as well as the Metro Sales Costs (page 43) and Transportation (page 125) data.

3. **Cost per call.** Using the summary data from the first two tables, you calculate cost per call (Table I-7) by dividing the salespeople's number of calls into their total direct sales costs. If you want to make the sales force more aware of this critical ratio, you can redesign the format of your call reports so that individuals can compute their own cost per call each time they submit a report.

4. **Territory concentration factor.** No two territories are exactly alike because of differences in geography, number and type of accounts, and industry concentration or dispersal. You can compensate for this diversity by assigning "weights" to the salespeople or territories being compared. Here, you first develop an aver-

TABLE 1-5 ***How to compute your salesperson's call patterns***

		Estimated Calls Per Year			
Salesperson	*Actual Calls Reported*	*Average Calls Per Day*	*Total Days In Field*	*Estimated Total Calls*	*Actual Or Estimated Calls Per Year*

TABLE 1-6 ***How to compute your salesperson's direct sales costs***

	Yearly Direct Sales Cost					
Salesperson	*Base Salary*	*Bonus Or Comm.*	*Auto Expense*	*Expense Account Reported*	*Other*	*Total Direct Sales Cost*

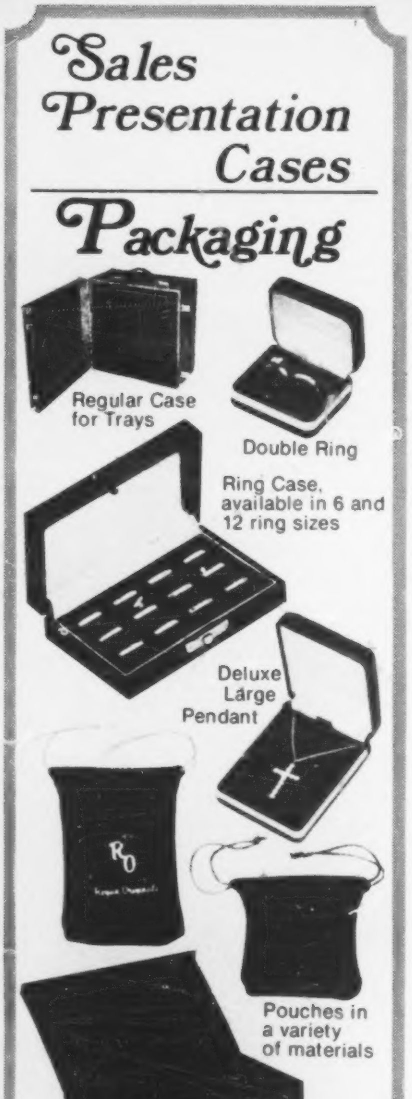
TABLE 1-7 ***How to compute your salesperson's per-call costs***

Salesperson	*Direct Sales Cost*	*Total Calls Per year*	*Cost Per Salesperson's Call*

Note: Direct Cost Per Salesperson's Call = $\frac{\text{Direct Sales Cost}}{\text{Total Calls Per Year}}$

TABLE 1-8 ***Territory concentration factor***

Standard Average Calls Per Day	*Average Calls Per Day For Territory* 10	9	8	7	6	5	4	3	2	1
10	1.00	1.11	1.25	1.42	1.66	2.00	2.50	3.33	5.00	10.00
9	.90	1.00	1.12	1.28	1.50	1.80	2.25	3.00	4.50	9.00
8	.80	.88	1.00	1.14	1.33	1.60	2.00	2.66	4.00	8.00
7	.70	.77	.87	1.00	1.16	1.40	1.75	2.33	3.50	7.00
6	.60	.66	.75	.85	1.00	1.20	1.50	2.00	3.00	6.00
5	.50	.55	.62	.71	.83	1.00	1.25	1.66	2.50	5.00
4	.40	.44	.50	.57	.66	.80	1.00	1.33	2.00	4.00
3	.30	.33	.37	.42	.50	.60	.75	1.00	1.50	3.00
2	.20	.22	.25	.28	.33	.40	.50	.66	1.00	2.00
1	.10	.11	.12	.14	.16	.20	.25	.33	.50	1.00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age number of calls per day for your entire sales force; that figure represents the norm. Then, using the Territory Concentration Factor (Table I-8), which shows the statistical relationship between a set of common numbers, you "equalize" the differences in the number of sales calls. That is, it compensates for the differences where one territory averages eight calls per day, another, only four.

Next, you adjust for the difference in selling and living costs between the markets. A step-by-step procedure, comparing the Chicago and Tulsa markets, is provided in the following example.

Step-by-step sequence in building a Sales Call Efficiency Index

TABLE I-9

Sales call efficiency index

	Total Direct Sales Costs	*Annual Number Of Sales Calls*	*Unweighted Cost Per Sales Call*	*Territory Concentration Factor (TCF)*	*Per Diem Index**	*Sales Call Efficiency Index*	***Weighted Sales Call Efficiency Index***
Chicago	$58,750	1,330	$44	0.85	147	$35	**$47**
Tulsa	$45,800	475	$96	2.50	93	$42	**$39**

*As indicated in Section II: Metro Sales Costs.

In order to compare cost-per-call ratios of different sales territories equitably, variances between local markets must be considered. This hypothetical example analyzes two different markets: Chicago, with above-average per diem costs, and Tulsa, with below-average per diem costs.

The Tulsa salesperson has direct sales costs of $45,800 and makes about 475 calls a year; the Chicago salesperson has direct sales costs of $58,750 and makes about 1,330 calls. Thus, the **Unweighted Cost Per Sales Call** in Tulsa is $96.42 ($45,800 ÷ 475 = $96.42) compared with $44.17 in Chicago ($58,750 ÷ 1,330 = $44.17).

While it appears that the Chicago salesperson is managing expenses more efficiently, a fair evaluation must recognize that the two markets are distinctly different. Developing a **Sales Call Efficiency Index** that compensates for these differences begins with the Territory Concentration Factor (TCF) (Table I-8). If the entire sales force averages 6 calls per day, Table I-8 indicates that Chicago's TCF for 7 calls per day is 0.85, that of Tulsa's 2.5 calls is 2.50. The Metro Sales Costs section (page 43) reveals that Chicago's per diem index is 147, Tulsa's 93. Dividing each number into 100, the U.S. norm, yields a factor of 0.68 for Chicago, 1.08 for Tulsa.

$$\text{Sales Call Efficiency Index} = \frac{\text{Direct Sales Costs}\ \dfrac{(100)}{(\text{Per Diem Index})}}{\text{Calls/Year (Territory Concentration Factor)}}$$

For Chicago, the calculation is as follows:

$$\frac{\$58{,}750\ (0.68)}{1{,}330\ (0.85)} = \frac{\$39{,}950}{1{,}130.50} = \$35.34$$

For Tulsa:

$$\frac{\$45{,}800\ (1.08)}{475\ (2.50)} = \frac{\$49{,}464}{1{,}187.50} = \$41.65$$

A **Sales Call Efficiency Index,** using these data, can be built for each territory using the above equation. This equation reveals that the **Adjusted Cost Per Call** in Chicago is $35.34, in Tulsa, $41.65. A $52 difference has been cut to $7.

Weighted to balance geographical living cost differences

For Chicago:

$$\frac{\$40{,}200 + \$18{,}550\ (0.68)}{1{,}330\ (0.85)} = \frac{\$52{,}814}{1{,}130.50} = \$46.72$$

For Tulsa:

$$\frac{\$35{,}350 + \$10{,}450\ (1.08)}{475\ (2.50)} = \frac{\$46{,}636}{1{,}187.50} = \$39.27$$

The **Adjusted Index** is further refined to allow for living cost differences. The Chicago salesperson has a base salary of $40,200 plus $18,550 for expenses; the Tulsa salesperson a base salary of $35,350 plus $10,450 for expenses. Using the above equation, multiplying each individual's expenses by the per diem factor mentioned earlier (0.68 for Chicago, 1.08 for Tulsa), results in a **Weighted Sales Call Efficiency Index** of $46.72 for Chicago and $39.27 for the Tulsa salesperson.

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Metro sales costs

U.S. and Canada

TABLE	TITLE
II-1	**Selling costs in 84 major U.S. markets**
	Lodging—Average daily rate and range of rates
	Meals—Median costs of breakfast, lunch, and dinner
	Per diem total—lodging and meals
	Per diem increase—1981–82 increase in per diem total
	Per diem index—Markets' lodging and meal costs compared with U.S. average
	Cost of two drinks
	Airport to downtown—Limousine and taxi rates, distances, and times
	Auto rental—Average per diem car-rental rates
II-2	**Selling costs in major Canadian markets**
II-3	**Meal and lodging tax rates by metropolitan market**

A helpful subject-matter index to all statistical information appears on page 134.

TABLE II-1 ***Selling costs in 84 major U.S. markets***

Metro Area	*Lodging (Daily)*	*Meals (Median)*	*Per Diem Total*	*Per Diem Increase 1981–82*	***Per Diem Index***	*Cost Of Two Drinks*	*Airport To Downtown*	*Per Diem Auto Rental*
ALABAMA								
Birmingham	Average $38.55 Range $19.50–$61.00	B $ 4.90 L $ 5.35 D $14.55	$ 63.35	7.6%	**87**	$5.00	Limo: None Taxi: $6.15 Dist.: 5 mi. Time: 30 min.	$49.10
ARIZONA								
Phoenix-Scottsdale	Average $48.05 Range $29.00–$96.00	B $ 4.45 L $ 6.10 D $12.30	70.90	9.6	**97**	3.90	Limo: $6.00 Taxi: $6.35 Dist.: 4 mi. Time: 20 min.	47.00
Tucson	Average $43.45 Range $28.00–$80.00	B $ 4.20 L $ 5.45 D $12.05	65.15	12.5	**89**	3.80	Limo: $4.25 Taxi: $10.25 Dist.: 7 mi. Time: 20–45 min.	47.35
ARKANSAS								
Little Rock–North Little Rock	Average $36.15 Range $24.00–$58.00	B $ 4.15 L $ 6.00 D $13.75	60.05	7.4	**82**	4.50	Limo: None Taxi: $4.40* Dist.: 4 mi. Time: 15 min.	43.55
CALIFORNIA								
Anaheim-Santa Ana-Garden Grove	Average $48.75 Range $28.00–$77.00	B $ 4.50 L $ 7.85 D $14.60	75.70	7.0	**104**	3.70	**Los Angeles** Limo: $6.70 Taxi: $38.10 Dist.: 27 mi. Time: 45–60 min. **Orange County** Limo: $2.80 Taxi: $19.20 Dist.: 13 mi. Time: 35–45 min.	54.15
Fresno	Average $42.40 Range $30.00–$55.00	B $ 5.00 L $ 6.25 D $13.10	66.75	8.7	**92**	3.70	Limo: None Taxi: $14.20 Dist.: 7 mi. Time: 35 min.	55.95
Los Angeles-Long Beach	Average $67.15 Range $36.00–$123.00	B $ 4.55 L $ 8.60 D $19.95	100.25	12.5	**138**	5.30	**International** Limo: $5.60 Taxi: $20.60 Dist.: 17 mi. Time: 45 min. **Burbank** Limo: None Taxi: $18.35 Dist.: 15 mi. Time: 45 min.	52.45
Oxnard-Simi Valley-Ventura	Average $43.80 Range $28.00–$69.00	B $ 4.30 L $ 6.75 D $11.80	66.65	10.3	**91**	3.50	Limo: None Taxi: $2.70 Dist.: 1 mi. Time: 5 min.	52.60
Riverside-San Bernardino-Ontario	Average $37.95 Range $22.00–$53.00	B $ 3.90 L $ 5.90 D $12.85	60.60	5.3	**83**	3.75	Limo: None Taxi: $8.50 Dist.: 15 mi. Time: 20 min.	52.95
Sacramento	Average $39.80 Range $23.50–$65.00	B $ 4.45 L $ 6.30 D $11.30	61.85	9.2	**85**	4.00	Limo: $4.30 Taxi: $16.20 Dist.: 11 mi. Time: 20 min.	54.30
San Diego	Average $51.25 Range $26.00–$89.00	B $ 5.10 L $ 7.95 D $14.60	78.90	8.6	**108**	4.10	Limo: None Taxi: $5.20 Dist.: 3 mi. Time: 15 min.	52.95

*Flat or zone rate.

TABLE II-1 *Selling costs in 84 major U.S. markets*

Metro Area	*Lodging (Daily)*	*Meals (Median)*	*Per Diem Total*	*Per Diem Increase 1981–82*	***Per Diem Index***	*Cost Of Two Drinks*	*Airport To Downtown*	*Per Diem Auto Rental*
San Francisco-Oakland	Average $77.30 Range $40.00–$145.00	B $ 7.05 L $ 9.90 D $20.40	$114.65	14.2%	**157**	$6.50	**International** Limo: $4.00 Taxi: $21.70 Dist.: 15 mi. Time: 45 min. **Oakland** Limo: $3.50 Taxi: $28.45 Dist.: 20 mi. Time: 60 min.	$52.30
San Jose	Average $51.10 Range $32.00–$70.00	B $ 4.75 L $ 6.60 D $13.35	75.80	7.4	**104**	3.50	Limo: $5.00 Taxi: $5.05 Dist.: 3 mi. Time: 15 min.	53.30
COLORADO								
Denver-Boulder	Average $58.40 Range $30.00–$95.00	B $ 4.00 L $ 5.55 D $15.70	83.65	15.2	**115**	4.75	Limo: $6.00 Taxi: $9.55 Dist.: 7 mi. Time: 30 min.	53.45
CONNECTICUT								
Bridgeport-Stamford-Norwalk-Danbury	Average $64.20 Range $40.00–$100.00	B $ 3.60 L $ 5.90 D $12.65	86.35	11.4	**119**	4.50	Limo: $5.00 Taxi: $5.25 Dist.: 4 mi. Time: 10 min.	53.90
Hartford-New Britain-Bristol	Average $56.40 Range $32.00–$95.00	B $ 3.75 L $ 6.70 D $14.30	81.15	13.0	**111**	4.10	Limo: $4.25 Taxi: $15.75* Dist.: 14 mi. Time: 35 min.	51.90
New Haven-West Haven-Waterbury-Meriden	Average $38.30 Range $20.00–$59.00	B $ 3.90 L $ 6.15 D $13.05	61.40	12.4	**84**	4.10	Limo: None Taxi: $4.70 Dist.: 3.5 mi. Time: 15 min.	50.90
DELAWARE								
Wilmington	Average $50.90 Range $15.00–$72.00	B $ 3.45 L $ 6.15 D $15.05	75.55	14.6	**104**	4.00	Limo: $4.75 Taxi: $10.00 Dist.: 5 mi. Time: 20 min.	53.20
DISTRICT OF COLUMBIA								
Washington	Average $70.65 Range $32.00–$135.00	B $ 5.55 L $ 8.70 D $19.10	104.00	6.4	**143**	5.75	**National** Limo: $3.25 Taxi: $5.30 Dist.: 4 mi. Time: 25 min. **Dulles** Limo: $6.00 Taxi: $30.05 Dist.: 26 mi. Time: 45 min.	57.80

*Flat or zone rate.

DEFINITIONS—**Lodging:** Single-room rates, excluding local taxes, are shown. Double-room rates are approximately 1.27 times greater. **Meal costs:** A 12.5% tip is included in each meal cost shown. **B**—Menu prices for a breakfast consisting of two eggs, bacon or sausage, and coffee (and juice if it is part of the meal). **L**—Menu price for a lunch consisting of ground sirloin steak (not a sandwich) or a comparable entrée, potato, vegetable, and coffee (and salad, roll and butter, and coleslaw if part of the meal). **D**—Menu price for dinner consisting of 12-oz. sirloin steak, baked potato, salad, and beverage (and appetizer, soup, and dessert if part of the meal). **Per diem total:** Total one-day cost of lodging and meals. **Per diem increase:** Percent change from 1981 to 1982 in total one-day cost of lodging and three meals. **Per diem index:** A city's per diem total expressed as a ratio of the U.S. average (an index of 110, for example, means that the area's total cost is 10% above the national average). **Cost of two drinks:** Price for two martinis made from the bar's house liquor. **Airport to downtown:** Taxi fares shown include a 12.5% tip, but exclude the cost of extraordinary waiting time due to traffic delays. Information is for first city in metro area title. **Auto rental:** Costs are based upon the published nondiscountable daily rates of major companies. Applicable local gas charges for 50 miles have been added.

Notes: **Average** is the sum of the dollar amounts divided by the number of responses. **Median** is the dollar amount that has an equal number of responses above and below it.

Sources: *Sales & Marketing Management;* American Hotel Assn.: *1982 Hotel & Motel Red Book*; *Hotel & Travel Index*; *Official Airline Guide*.

TABLE II-1 *Selling costs in 84 major U.S. markets*

Metro Area	Lodging (Daily)	Meals (Median)	Per Diem Total	Per Diem Increase 1981–82	Per Diem Index	Cost Of Two Drinks	Airport To Downtown	Per Diem Auto Rental
FLORIDA								
Fort Lauderdale–Hollywood	Average $58.10 Range $31.00–$110.00	B $ 3.65 L $ 6.20 D $15.35	$ 83.30	2.9%	**114**	$4.75	Limo: $9.00 Taxi: $6.00 Dist.: 4 mi. Time: 30 min.	$41.70
Jacksonville	Average $37.90 Range $23.00–$70.00	B $ 4.20 L $ 6.20 D $12.10	60.40	11.3	**83**	4.00	Limo: $5.75 Taxi: $17.75 Dist.: 15 mi. Time: 30 min.	43.70
Miami	Average $65.80 Range $29.50–$120.00	B $ 4.20 L $ 8.30 D $16.75	95.05	14.0	**130**	5.35	Limo: $5.00 Taxi: $9.00 Dist.: 7 mi. Time: 30 min.	40.65
Orlando	Average $48.95 Range $28.00–$80.00	B $ 3.95 L $ 5.95 D $12.35	71.20	10.4	**98**	4.55	Limo: $4.50 Taxi: $12.50 Dist.: 10 mi. Time: 25 min.	41.70
Tampa–St. Petersburg	Average $47.35 Range $25.00–$75.00	B $ 3.35 L $ 5.70 D $13.75	70.15	13.5	**96**	4.30	Limo: $6.50 Taxi: $8.00 Dist.: 6 mi. Time: 20 min.	44.00
West Palm Beach–Boca Raton	Average $50.00 Range $25.00–$110.00	B $ 2.75 L $ 5.35 D $14.00	72.10	10.5	**99**	3.30	Limo: $2.65 Taxi: $6.45 Dist.: 4 mi. Time: 15 min.	41.35
GEORGIA								
Atlanta	Average $56.10 Range $30.00–$100.00	B $ 5.40 L $ 6.75 D $16.60	84.85	11.1	**116**	5.00	Limo: $7.00 Taxi: $11.25 Dist.: 8 mi. Time: 35 min.	46.45
HAWAII								
Honolulu	Average $52.80 Range $19.00–$105.00	B $ 5.25 L $ 6.75 D $14.35	79.15	12.7	**109**	4.85	Limo: $5.25 Taxi: $9.45 Dist.: 5 mi. Time: 15 min.	41.70
ILLINOIS								
Chicago	Average $81.20 Range $39.00–$115.00	B $ 4.50 L $ 5.60 D $15.45	106.75	15.3	**147**	4.00	**O'Hare** Limo: $5.45 Taxi: $21.10 Dist.: 19 mi. Time: 45–65 min. **Midway** Limo: $4.20 Taxi: $13.20 Dist.: 10 mi. Time: 40 min.	55.50

*Flat or zone rate.

DEFINITIONS—**Lodging:** Single-room rates, excluding local taxes, are shown. Double-room rates are approximately 1.27 times greater. **Meal costs:** A 12.5% tip is included in each meal cost shown. **B**—Menu prices for a breakfast consisting of two eggs, bacon or sausage, and coffee (and juice if it is part of the meal). **L**—Menu price for a lunch consisting of ground sirloin steak (not a sandwich) or a comparable entrée, potato, vegetable, and coffee (and salad, roll and butter, and coleslaw if part of the meal). **D**—Menu price for dinner consisting of 12-oz. sirloin steak, baked potato, salad, and beverage (and appetizer, soup, and dessert if part of the meal). **Per diem total:** Total one-day cost of lodging and meals. **Per diem increase:** Percent change from 1981 to 1982 in total one-day cost of lodging and three meals. **Per diem index:** A city's per diem total expressed as a ratio of the U.S. average (an index of 110, for example, means that the area's total cost is 10% above the national average). **Cost of two drinks:** Price for two martinis made from the bar's house liquor. **Airport to downtown:** Taxi fares shown include a 12.5% tip, but exclude the cost of extraordinary waiting time due to traffic delays. Information is for first city in metro area title. **Auto rental:** Costs are based upon the published nondiscountable daily rates of major companies. Applicable local gas charges for 50 miles have been added.

Notes: **Average** is the sum of the dollar amounts divided by the number of responses. **Median** is the dollar amount that has an equal number of responses above and below it.

Sources: *Sales & Marketing Management;* American Hotel Assn.: *1982 Hotel & Motel Red Book*; *Hotel & Travel Index*; *Official Airline Guide*.

TABLE II-1 ***Selling costs in 84 major U.S. markets***

Metro Area	*Lodging (Daily)*	*Meals (Median)*	*Per Diem Total*	*Per Diem Increase 1981–82*	**Per Diem Index**	*Cost Of Two Drinks*	*Airport To Downtown*	*Per Diem Auto Rental*
Springfield	Average $37.30 Range $16.50–$56.00	B $ 3.80 L $ 5.60 D $12.05	$58.75	N.A.	**81**	$3.50	Limo: $4.00 Taxi: $3.90 Dist.: 3 mi. Time: 15 min.	$49.80
INDIANA								
Indianapolis	Average $39.90 Range $22.00–$74.00	B $ 3.30 L $ 4.55 D $12.90	60.65	6.4%	**83**	3.50	Limo: $6.80 Taxi: $7.20 Dist.: 5 mi. Time: 25 min.	53.15
IOWA								
Des Moines	Average $37.40 Range $24.00–$51.00	B $ 4.60 L $ 5.35 D $13.20	60.55	11.1	**83**	4.80	Limo: $2.50 Taxi: $6.65 Dist.: 5 mi. Time: 20 min.	42.33
KANSAS								
Wichita	Average $37.20 Range $12.00–$64.00	B $ 4.15 L $ 5.05 D $10.85	57.25	11.1	**79**	4.50	Limo: None Taxi: $7.15 Dist.: 6 mi. Time: 20 min.	46.60
KENTUCKY								
Louisville	Average $39.40 Range $28.00–$53.00	B $ 2.75 L $ 5.90 D $12.20	60.25	10.0	**83**	3.50	Limo: $4.50 Taxi: $6.65 Dist.: 5 mi. Time: 20 min.	47.00
LOUISIANA								
New Orleans	Average $58.90 Range $33.00–$102.00	B $ 6.15 L $10.05 D $17.65	92.75	12.2	**127**	5.45	Limo: $5.50 Taxi: $20.25* Dist.: 15 mi. Time: 30 min.	54.00
MARYLAND								
Baltimore	Average $51.40 Range $25.00–$81.00	B $ 4.25 L $ 5.65 D $15.15	76.45	10.2	**105**	4.80	Limo: $6.00 Taxi: $7.90 Dist.: 10 mi. Time: 25 min.	57.85
MASSACHUSETTS								
Boston	Average $64.15 Range $30.00–$97.00	B $ 4.35 L $ 5.80 D $14.10	88.40	6.3	**121**	4.15	Limo: $3.25 Taxi: $5.95 Dist.: 3 mi. Time: 30 min.	58.40
New Bedford–Fall River	Average $37.00 Range $26.00–$45.00	B $ 3.95 L $ 4.50 D $13.40	58.85	12.3	**81**	3.85	Limo: None Taxi: $3.90 Dist.: 2.5 mi. Time: 15 min.	54.10
Springfield-Chicopee-Holyoke	Average $32.95 Range $18.00–$70.00	B $ 4.30 L $ 5.35 D $13.40	56.00	3.4	**77**	4.25	Limo: $4.35 Taxi: $18.30 Dist.: 17 mi. Time: 20 min.	53.45
Worcester-Fitchburg-Leominster	Average $42.95 Range $30.00–$60.00	B $ 4.60 L $ 7.00 D $15.50	70.05	15.0	**96**	4.00	Limo: $4.00 Taxi: $7.65 Dist.: 5 mi. Time: 20 min.	55.80

N.A.—Not available because market not included in *1982 Survey.*

*Flat or zone rate.

TABLE II-1 ***Selling costs in 84 major U.S. markets***

Metro Area	*Lodging (Daily)*	*Meals (Median)*	*Per Diem Total*	*Per Diem Increase 1981–82*	***Per Diem Index***	*Cost Of Two Drinks*	*Airport To Downtown*	*Per Diem Auto Rental*
MICHIGAN								
Detroit	Average $51.55 Range $26.00–$89.00	B $ 4.85 L $ 6.55 D $18.50	$81.45	7.9%	**112**	$5.00	Limo: $5.00 Taxi: $24.30 Dist.: 23 mi. Time: 40 min.	$50.80
Grand Rapids	Average $39.55 Range $28.00–$64.00	B $ 4.10 L $ 6.45 D $13.05	63.15	13.0	**87**	5.00	Limo: None Taxi: $11.25* Dist.: 12 mi. Time: 30 min.	47.10
MINNESOTA								
Minneapolis–St. Paul	Average $56.80 Range $28.00–$90.00	B $ 4.90 L $ 6.30 D $16.25	84.25	11.9	**116**	4.70	Limo: $4.50 Taxi: $13.45 Dist.: 10 mi. Time: 25 min.	48.20
MISSOURI								
Kansas City	Average $52.20 Range $30.00–$95.00	B $ 3.70 L $ 5.05 D $14.60	75.55	7.2	**104**	4.10	Limo: $7.50 Taxi: $21.30 Dist.: 18 mi. Time: 35 min.	50.80
St. Louis	Average $47.15 Range $22.00–$80.00	B $ 5.10 L $ 7.15 D $15.85	75.25	15.9	**103**	4.25	Limo: $5.20 Taxi: $14.40 Dist.: 15 mi. Time: 45 min.	48.95
NEBRASKA								
Omaha	Average $35.95 Range $23.00–$59.00	B $ 4.00 L $ 4.50 D $12.05	56.50	7.3	**78**	3.40	Limo: None Taxi: $5.20 Dist.: 4.5 mi. Time: 20 min.	50.00
NEVADA								
Las Vegas	Average $41.15 Range $26.00–$75.00	B $ 4.75 L $ 6.05 D $15.25	67.20	4.3	**92**	4.25	Limo: $4.00 Taxi: $11.00 Dist.: 6 mi. Time: 35 min.	52.35
NEW JERSEY								
Jersey City	Average $38.50 Range $19.00–$59.00	B $ 4.05 L $ 5.55 D $14.05	62.15	15.7	**85**	4.70	Limo: None Taxi: $24.75* Dist.: 9 mi. Time: 45 min.	62.15
Long Branch–Asbury Park	Average $49.75 Range $35.00–$70.00	B $ 3.00 L $ 6.15 D $12.35	71.25	2.8	**98**	4.50	**Asbury Park** Limo: None Taxi: $16.90* Dist.: 12.5 mi. Time: 30 min. **Newark** Limo: None Taxi: $45.45* Dist.: 45 mi. Time: 60 min.	44.70
New Brunswick-Perth Amboy-Sayreville	Average $44.50 Range $33.00–$55.00	B $ 4.20 L $ 5.55 D $15.00	69.25	11.5	**95**	4.40	Limo: $10.50 Taxi: $28.25* Dist.: 23 mi. Time: 40 min.	47.05
Newark	Average $60.60 Range $43.00–$90.00	B $ 4.50 L $ 6.30 D $16.80	88.20	11.3	**121**	4.25	Limo: $2.50 Taxi: $11.25* Dist.: 3 mi. Time: 20 min.	62.15

*Flat or zone rate.

TABLE II-1 *Selling costs in 84 major U.S. markets*

Metro Area	Lodging (Daily)	Meals (Median)	Per Diem Total	Per Diem Increase 1981–82	**Per Diem Index**	Cost Of Two Drinks	Airport To Downtown	Per Diem Auto Rental
Paterson-Clifton-Passaic	Average $72.80 Range $65.00–$83.50	B $ 3.90 L $ 4.80 D $11.15	$ 92.65	14.4%	**127**	$4.00	Limo: None Taxi: $30.35* Dist.: 15 mi. Time: 45 min.	$55.05
NEW MEXICO								
Albuquerque	Average $40.70 Range $18.00–$70.00	B $ 4.70 L $ 6.25 D $13.00	64.65	13.6	**89**	4.00	Limo: None Taxi: $7.85 Dist.: 5 mi. Time: 15 min.	49.75
NEW YORK								
Albany-Schenectady-Troy	Average $46.50 Range $26.00–$80.00	B $ 4.05 L $ 6.15 D $15.15	71.85	N.A.	**99**	3.75	Limo: $4.90 Taxi: $11.15* Dist.: 8 mi. Time: 40 min.	54.60
Buffalo	Average $42.50 Range $28.00–$85.00	B $ 3.60 L $ 4.45 D $14.10	64.65	14.7	**89**	3.50	Limo: $5.00 Taxi: $11.25 Dist.: 9 mi. Time: 30 min.	60.90
Nassau-Suffolk (Long Island)	Average $51.25 Range $35.00–$77.00	B $ 4.00 L $ 6.50 D $14.00	75.75	9.9	**104**	4.50	Limo: Varies Taxi: between Dist.: airport and Time: destination	53.90
New York	Average $77.25 Range $39.00–$165.00	B $ 7.30 L $10.70 D $21.35	116.60	7.4	**160**	6.00	**LaGuardia** Limo: $3.50 Taxi: $9.25 Dist.: 8 mi. Time: 60 min. **Kennedy** Limo: $7.00 Taxi: $16.30 Dist.: 15 mi. Time: 75 min. **Newark** Limo: $2.15 Taxi: $27.55* Dist.: 10 mi. Time: 60 min.	65.50
Rochester	Average $43.00 Range $26.00–$70.00	B $ 4.10 L $ 5.60 D $13.10	65.80	9.7	**90**	4.20	Limo: None Taxi: $6.75 Dist.: 4 mi. Time: 20 min.	58.25
Syracuse	Average $41.75 Range $29.50–$62.00	B $ 3.90 L $ 4.90 D $13.00	63.55	12.6	**87**	4.25	Limo: $4.00 Taxi: $10.45 Dist.: 7 mi. Time: 20 min.	53.25
NORTH CAROLINA								
Charlotte-Gastonia	Average $42.55 Range $28.00–$60.00	B $ 4.90 L $ 6.30 D $15.70	69.45	10.6	**95**	5.50	Limo: $3.50 Taxi: $8.35 Dist.: 8 mi. Time: 30 min.	48.40
Greensboro-Winston Salem-High Point	Average $38.55 Range $20.00–$75.00	B $ 3.75 L $ 5.35 D $13.65	61.30	10.8	**84**	4.75	Limo: $7.00 Taxi: $13.50 Dist.: 10 mi. Time: 30 min.	45.05
OHIO								
Akron	Average $38.65 Range $27.00–$60.00	B $ 4.15 L $ 5.85 D $13.00	61.65	16.0	**85**	3.90	Limo: $6.50 Taxi: $14.90 Dist.: 15 mi. Time: 30 min.	56.55

*Flat or zone rate.
N.A.—Not available because market not included in *1982 Survey*.

TABLE II-1 ***Selling costs in 84 major U.S. markets***

Metro Area	Lodging (Daily)	Meals (Median)	Per Diem Total	Per Diem Increase 1981–82	Per Diem Index	Cost Of Two Drinks	Airport To Downtown	Per Diem Auto Rental
Canton	Average $35.25 Range $27.00–$45.00	B $ 3.10 L $ 4.60 D $12.60	$55.55	5.2%	**76**	$3.50	Limo: None Taxi: $13.50* Dist.: 10 mi. Time: 30 min.	$57.20
Cincinnati	Average $40.85 Range $24.00–$55.00	B $ 3.80 L $ 5.60 D $13.95	64.20	12.8	**88**	4.50	Limo: $6.50 Taxi: $15.20* Dist.: 13 mi. Time: 45 min.	45.45
Cleveland	Average $43.15 Range $25.00–$71.00	B $ 3.30 L $ 5.50 D $14.15	66.10	8.7	**91**	4.10	Limo: $5.50 Taxi: $13.65 Dist.: 12 mi. Time: 60 min.	57.20
Columbus	Average $43.30 Range $29.00–$77.00	B $ 3.45 L $ 5.55 D $12.90	65.20	9.7	**89**	3.90	Limo: $5.75 Taxi: $11.95 Dist.: 8 mi. Time: 40 min.	50.95
Dayton	Average $34.30 Range $22.00–$48.00	B $ 3.25 L $ 5.55 D $11.90	55.00	7.9	**75**	3.20	Limo: $6.20 Taxi: $13.05 Dist.: 13 mi. Time: 25 min.	51.60
Toledo	Average $39.55 Range $26.00–$58.00	B $ 3.80 L $ 5.25 D $14.95	63.55	5.0	**87**	4.00	Limo: None Taxi: $18.40 Dist.: 17 mi. Time: 35 min.	48.95
OKLAHOMA								
Oklahoma City	Average $45.90 Range $32.00–$74.00	B $ 4.65 L $ 6.20 D $12.30	69.05	15.2	**95**	5.00	Limo: $5.25 Taxi: $12.40 Dist.: 10 mi. Time: 30 min.	48.25
Tulsa	Average $45.00 Range $26.00–$75.00	B $ 3.90 L $ 6.25 D $12.90	68.05	14.7	**93**	4.50	Limo: None Taxi: $10.95* Dist.: 9 mi. Time: 25 min.	49.90
OREGON								
Portland	Average $46.15 Range $27.00–$76.00	B $ 4.80 L $ 6.90 D $15.45	73.30	10.6	**101**	4.00	Limo: $3.50 Taxi: $13.30 Dist.: 9 mi. Time: 25 min.	51.25
PENNSYLVANIA								
Harrisburg	Average $43.70 Range $21.00–$72.00	B $ 3.90 L $ 6.00 D $11.75	65.35	N.A.	**90**	4.05	Limo: $5.00 Taxi: $13.30 Dist.: 9 mi. Time: 5 min.	58.45
Philadelphia	Average $52.85 Range $27.00–$78.00	B $ 4.95 L $ 7.00 D $14.75	79.55	10.3	**109**	4.00	Limo: $4.75 Taxi: $10.65 Dist.: 7 mi. Time: 35 min.	58.30
Pittsburgh	Average $50.75 Range $31.00–$77.00	B $ 4.90 L $ 5.95 D $15.70	77.30	5.6	**106**	4.50	Limo: $5.00 Taxi: $24.35 Dist.: 17 mi. Time: 55 min.	51.10

N.A.—Not available because market not included in *1982 Survey*.

*Flat or zone rate.

TABLE II-1 *Selling costs in 84 major U.S. markets*

Metro Area	*Lodging (Daily)*	*Meals (Median)*	*Per Diem Total*	*Per Diem Increase 1981–82*	**Per Diem Index**	*Cost Of Two Drinks*	*Airport To Downtown*	*Per Diem Auto Rental*
RHODE ISLAND								
Providence-Warwick-Pawtucket	Average $51.25 Range $32.00–$76.00	B $ 3.75 L $ 6.15 D $15.80	$76.95	18.5%	**106**	$4.50	Limo: $5.75 Taxi: $10.50 Dist.: 8.5 mi. Time: 40 min.	$54.20
TENNESSEE								
Memphis	Average $36.85 Range $25.00–$65.00	B $ 4.20 L $ 6.20 D $12.90	60.15	12.3	**83**	4.80	Limo: $4.25 Taxi: $11.10 Dist.: 10 mi. Time: 40 min.	49.00
Nashville-Davidson	Average $41.80 Range $24.00–$68.00	B $ 4.90 L $ 5.35 D $14.25	66.30	16.8	**91**	5.00	Limo: $6.00 Taxi: $10.00 Dist.: 8 mi. Time: 30 min.	48.00
TEXAS								
Austin	Average $52.05 Range $33.00–$82.00	B $ 4.75 L $ 7.20 D $14.60	78.60	1.4	**108**	4.50	Limo: None Taxi: $5.60 Dist.: 4 mi. Time: 15 min.	45.90
Dallas–Fort Worth	Average $48.15 Range $28.00–$80.00	B $ 4.80 L $ 6.75 D $16.55	76.25	11.6	**105**	5.00	Limo: $7.00 Taxi: $16.65 Dist.: 17 mi. Time: 60 min.	49.60
Houston	Average $55.70 Range $25.00–$125.00	B $ 5.90 L $ 7.60 D $14.40	83.60	9.2	**115**	5.00	Limo: $5.00 Taxi: $22.50 Dist.: 20 mi. Time: 45 min.	51.50
San Antonio	Average $41.10 Range $25.00–$89.00	B $ 3.55 L $ 6.65 D $12.95	64.25	15.5	**88**	4.50	Limo: $5.00 Taxi: $9.15 Dist.: 8.6 mi. Time: 45 min.	46.25
UTAH								
Salt Lake City–Ogden	Average $47.65 Range $30.00–$90.00	B $ 5.05 L $ 6.85 D $13.10	72.65	14.4	**100**	No sale by drink permited	Limo: None Taxi: $5.40 Dist.: 4 mi. Time: 30 min.	53.40
VIRGINIA								
Norfolk-Virginia Beach-Portsmouth	Average $46.50 Range $23.00–$85.00	B $ 3.90 L $ 5.15 D $14.30	69.85	N.A.	**96**	4.50	Limo: $4.75 Taxi: $5.20 Dist.: 4 mi. Time: 25 min.	45.05
WASHINGTON								
Seattle-Everett	Average $55.00 Range $39.00–$88.00	B $ 4.45 L $ 6.25 D $15.35	81.05	8.9	**111**	**4.50**	**Seattle** Limo: $4.75 Taxi: $16.90 Dist.: 14 mi. Time: 25 min. **Boeing** Limo: None Taxi: $6.75 Dist.: 5 mi. Time: 25 min.	50.40
WISCONSIN								
Milwaukee	Average $45.70 Range $18.00–$68.00	B $ 5.55 L $ 5.70 C $14.15	71.10	7.9	**98**	3.50	Limo: $5.50 Taxi: $7.60 Dist.: 6 mi. Time: 30 min.	53.10

N.A.—Not available because market not included in *1982 Survey.*

*Flat or zone rate.

TABLE II-2

Selling costs in major Canadian markets

Metro Area	Lodging (Daily)	Meals (Median)	Per Diem Total	Per Diem Increase 1981–82	Per Diem Index	Cost Of Two Drinks	Airport To Downtown	Per Diem Auto Rental
Calgary, Alberta	Average $59.00 Range $35.00–$101.00	B $ 5.40 L $ 9.10 D $18.35	$91.85	19.7%	**98**	$5.00	Limo: $5.50 Taxi: $8.45 Dist.: 6 mi. Time: 30 min.	$46.30
Montreal, Quebec	Average $72.10 Range $43.00–$107.00	B $ 4.90 L $ 8.80 D $17.55	103.35	18.9	**110**	6.00	**Dorval** Limo: $4.50 Taxi: $19.10 Dist.: 14 mi. Time: 25–40 min. **Mirabel** Limo: $7.00 Taxi: $44.45 Dist.: 34 mi. Time: 60 min.	48.55
Ottawa, Ontario	Average $57.20 Range $40.00–$80.00	B $ 5.35 L $ 7.30 D $14.00	83.85	12.0	**89**	6.00	Limo: $3.15 Taxi: $18.20 Dist.: 11 mi. Time: 25–50 min.	42.90
Toronto, Ontario	Average $69.90 Range $45.00–$120.00	B $ 5.80 L $ 9.00 D $15.25	99.95	20.0	**106**	6.40	Limo: $4.75 Taxi: $21.60 Dist.: 18 mi. Time: 30 min.	49.50
Vancouver, British Columbia	Average $69.45 Range $43.00–$125.00	B $ 6.90 L $ 7.40 D $19.10	102.85	18.5	**109**	7.00	Limo: $4.75 Taxi: $16.20 Dist.: 11 mi. Time: 60 min.	45.20
Winnipeg, Manitoba	Average $51.45 Range $24.00–$75.00	B $ 6.05 L $ 7.85 D $16.85	82.20	12.0	**87**	5.50	Limo: $3.00 Taxi: $5.90 Dist.: 4 mi. Time: 15 min.	46.80

DEFINITIONS—**Lodging:** Single-room rates, excluding local taxes, are shown. Double-room rates are approximately 1.27 times greater. **Meal costs:** A 12.5% tip is included in each meal cost shown. **B**—Menu prices for a breakfast consisting of two eggs, bacon or sausage, and coffee (and juice if it is part of the meal). **L**—Menu price for a lunch consisting of ground sirloin steak (not a sandwich) or a comparable entrée, potato, vegetable, and coffee (and salad, roll and butter, and coleslaw if part of the meal). **D**—Menu price for dinner consisting of 12-oz. sirloin steak, baked potato, salad, and beverage (and appetizer, soup, and dessert if part of the meal). **Per diem total:** Total one-day cost of lodging and three meals. **Per diem increase:** Percent change from 1981 to 1982 in total one-day cost of lodging and three meals. **Per diem index:** A city's per diem total expressed as a ratio of all-Canadian average (an index of 102, for example, means that the area's total cost is 2% above the national average). **Cost of two drinks:** Price for two martinis made from the bar's house liquor. **Airport to downtown:** Taxi fares shown include a 12.5% tip, but exclude the cost of extraordinary waiting time due to traffic delays. **Auto rental:** Costs are based upon the published nondiscountable daily rates of major companies. Applicable local gas charges for 50 miles have been added. Notes: **Average** is the sum of the dollar amounts divided by the number of responses. **Median** is the dollar amount that has an equal number of responses above and below it. All **costs** are in Canadian dollars.

Source: *Sales & Marketing Management;* American Hotel Assn.: *1981 Hotel & Motel Red Book; Hotel & Travel Index; Official Airline Guide.*

S&MM'S FOUR SURVEY ISSUES

Survey of Buying Power, published in July, includes the most current estimates of the demographic and socioeconomic factors of regions, states, metropolitan markets, counties, and cities.

Survey of Buying Power—Part II, published in October, rearranges the basic *Survey* data in terms of TV and newspaper markets so that markets can be evaluated in media terms; it also gives a five-year projection of metropolitan markets, as well as current data on merchandise line sales for several product categories.

Survey of Selling Costs, published in February, includes detailed information on the basic selling costs of the leading metropolitan markets in the U.S. and Canada, plus data on such marketing-related expenses as sales training, sales meetings, sales incentives, and salespeople's compensation.

Survey of Industrial Purchasing Power, published in April, provides data on the U.S. totals for 457 manufacturing industries as well as on the leading geographic markets of selected manufacturing and nonmanufacturing industries that buy goods and services from consumer and industrial manufacturers.

TABLE II-3 ***Meal & lodging tax rates by metropolitan market***

U.S. Metro Area	*Lodging Tax*	*Meal Tax*
Akron	11.5%	5.5%
Albany-Schenectady-Troy	8.0	7.0
Albuquerque	7.0	4.25
Anaheim-Santa Ana-Garden Grove	6.0	6.0
Atlanta	7.0	4.0
Austin	7.0	5.0
Baltimore	11.0	5.0
Birmingham	7.0	6.0
Boston	5.7	5.0
Bridgeport-Stamford-Norwalk-Danbury	7.0	7.5
Buffalo	9.0	7.0
Canton	6.6	5.0
Charlotte-Gastonia	4.0	4.0
Chicago	9.1	7.0
Cincinnati	8.5	5.5
Cleveland	9.5	6.5
Columbus	9.5	5.5
Dallas–Fort Worth	7.0	5.0
Dayton	12.0	6.0
Denver-Boulder	8.5	6.5
Des Moines	8.0	3.0
Detroit	5.0	4.0
Fort Lauderdale–Hollywood	7.0	5.0
Fresno	6.0	6.0
Grand Rapids	7.0	4.0
Greensboro-Winston Salem-High Point	4.0	4.0
Harrisburg	6.0	6.0
Hartford-New Britain-Bristol	7.5	7.5
Honolulu	4.0	4.0
Houston	10.0	6.0
Indianapolis	9.0	5.0
Jacksonville	7.0	5.0
Jersey City	5.0	5.0
Kansas City	8.5	5.125
Las Vegas	6.0	5.75
Little Rock–North Little Rock	6.0	6.0
Long Branch–Asbury Park	5.0	5.0
Los Angeles–Long Beach	7.5	6.5
Louisville	9.2	5.0
Memphis	11.0	6.0
Miami	7.0	5.0
Milwaukee	9.0	5.0
Minneapolis–St. Paul	11.0	5.0
Nashville-Davidson	9.75	6.75
Nassau-Suffolk (Long Island)	7.0	7.25[1]
New Bedford–Fall River	5.0	5.0
New Brunswick-Perth Amboy-Sayreville	5.0	5.0
New Haven-West Haven-Waterbury-Meriden	7.5%	7.5%
New Orleans	10.0	8.0
New York	8.25	8.25
	(plus $2 surcharge)	
Newark	5.0	5.0
Norfolk-Virginia Beach-Portsmouth	7.0	7.0
Oklahoma City	6.0	4.0
Omaha	7.5	5.0
Orlando	7.0	5.0
Oxnard-Simi Valley-Ventura	8.0	6.0
Paterson-Clifton-Passaic	5.0	5.0
Philadelphia	6.0	6.0
Phoenix-Scottsdale	6.0	5.0
Pittsburgh	7.0	6.0
Portland, OR	6.0	—
Providence-Warwick-Pawtucket	8.0	6.0
Riverside-San Bernardino-Ontario	6.0	6.0
Rochester	9.0	7.0
Sacramento	10.0	6.0
St. Louis	7.625	5.625
Salt Lake City–Ogden	8.0	5.0
San Antonio	7.0	5.0
San Diego	8.0	6.0
San Francisco–Oakland	9.75	6.5
San Jose	6.0	6.5
Seattle-Everett	6.6	6.5
Springfield, IL	8.0	5.0
Springfield-Chicopee-Holyoke, MA	5.7	5.0
Syracuse	9.0	7.0
Tampa–St. Petersburg	7.0	5.0
Toledo	11.5	6.0
Tucson	7.0	6.0
Tulsa	10.0	5.0
Washington, DC	10.0	8.0
	(plus $1 surcharge)	
West Palm Beach–Boca Raton	5.0	5.0
Wichita	8.0	3.0
Wilmington	6.0	—
Worcester-Fitchburg-Leominster	5.7	5.0

Note: Tax rates are for the first city in a multi-name metro area

[1] Average for establishments polled by S&MM. Rates may vary slightly among the townships in the two counties.

Canadian Metro Area	*Lodging Tax*	*Meal Tax*
Calgary	—	—
Montreal	—	10.0%
Ottawa	5.0%	7.0
Toronto	5.0	7.0
Vancouver	8.0	—
Winnipeg	5.0	5.0

Source: Sales & Marketing Management survey.

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Compensation

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III-2	Sales force selling expenses as a percentage of sales in major industries
III-3	Total selling expenses as a percentage of company sales
III-4	Total compensation by performance level and type of plan
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III-15	Starting salaries paid to college graduates
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A helpful subject-matter index to all statistical information appears on page 134.

TABLE III-1

Salespeople's annual compensation

Salesperson Level	Consumer Products 1982	Consumer Products 1981	Consumer Products % Change	Industrial Products 1982	Industrial Products 1981	Industrial Products % Change
Sales trainee						
Straight salary	**$17,400**	$15,200	+14.5%	**$17,646**	$16,650	+ 6.0%
Salary plus incentive						
Salary	**18,250**	14,650	+24.6	**18,063**	17,375	+ 4.0
Incentive	**2,200**	1,250	+76.0	**3,000**	2,825	+ 6.2
Total	**20,500**	16,250	+26.2	**23,113**	20,600	+12.2
A&B salespeople						
Straight salary	**21,500**	18,100	+18.8	**25,623**	24,392	+ 5.0
Salary plus incentive						
Salary	**20,980**	19,060	+10.1	**22,619**	21,171	+ 6.8
Incentive	**5,700**	4,160	+37.0	**6,013**	5,753	+ 4.5
Total	**27,640**	24,320	+13.7	**29,531**	27,771	+ 6.3
Senior salespeople						
Straight salary	**29,892**	28,200*	+ 6.0*	**33,942**	30,357	+11.8
Salary plus incentive						
Salary	**25,460**	23,820	+ 6.9	**28,600**	25,765	+11.0
Incentive	**5,600**	4,560	+22.8	**7,044**	7,835	−10.1
Total	**33,300**	30,140	+10.5	**36,919**	33,724	+ 9.5
Sales supervisor						
Straight salary	**32,500**	32,500	N.C.	**39,564**	35,825	+10.4
Salary plus incentive						
Salary	**30,760**	30,080	+ 2.3	**34,014**	31,687	+ 7.3
Incentive	**5,020**	5,420	− 7.4	**8,607**	9,120	− 5.6
Total	**36,780**	35,420	+ 3.8	**44,050**	41,147	+ 7.1

*Estimated. N.C.—No Change.

Note: Some differences between years reflect changes in the organizations that reported data. It should also be noted that in the "salary plus incentive" category, the "total" compensation will not equal the sum of the "salary" and "incentive" components because not all respondents provided information for each of the components.

Source: American Management Assns., *Executive Compensation Service*.

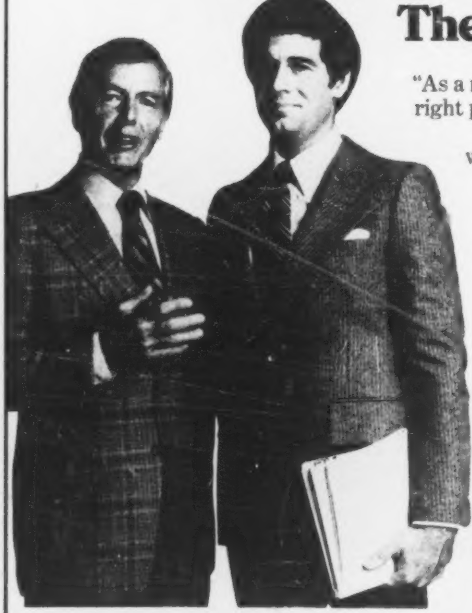

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TABLE III-2

Sales force selling expenses as a percentage of sales in major industries

Industry	*Compensation* **1982**	*Compensation* *1981*	*T&E Expenses* **1982**	*T&E Expenses* *1981*	*Total* **1982**	*Total* *1981*
Consumer goods						
Durable goods	5.2%	1.8%	1.3%	0.8%	**6.5%**	2.5%
Ethical pharmaceuticals, surgical supplies, & equipment	7.3	8.0	2.5	2.7	**10.6**	10.4
Food	1.5	1.7	0.7	0.6	**2.5**	2.5
Major household items	2.4	2.3	0.7	0.6	**2.6**	1.8
Proprietary drugs & toiletries	2.4	2.0	2.1	0.9	**8.5**	3.0
Industrial goods						
Automotive parts & accessories	2.4	1.5	1.1	0.8	**3.3**	2.0
Building materials	1.5	1.4	0.5	0.8	**2.0**	2.4
Chemicals & petroleum	1.3	2.5	0.8	0.4	**2.1**	2.0
Computers, office & educational supplies, & equipment	4.1	6.8	1.5	1.0	**5.4**	7.4
Containers, packaging materials, & paper	0.8	1.0	0.4	0.2	**1.2**	1.7
Electrical materials	1.1	1.5	0.4	0.6	**1.4**	2.1
Electronics & instruments	3.1	3.0	0.9	1.2	**4.5**	3.7
Fabricated metals (heavy)	2.2	1.4	0.8	0.8	**3.1**	2.6
Fabricated metals (light)	1.9	2.3	0.9	0.7	**2.8**	3.4
Fabrics & apparel	2.4	1.0	0.6	0.6	**3.0**	1.3
Iron & steel	0.7	0.8	0.6	0.5	**2.2**	2.6
Machinery (heavy)	2.3	1.7	0.6	0.6	**2.5**	2.2
Machinery (light)	3.0	2.2	0.8	0.9	**4.1**	3.1
Printing & publishing	2.4	4.4	1.3	1.5	**4.3**	5.8
Rubber, plastics, & leather	0.8	0.8	0.6	0.5	**1.6**	1.2
Tools & hardware	3.6	1.8	1.1	1.0	**4.7**	2.7

Note: Includes only salespeople's total compensation plus their expenses, that is, travel, lodging, meals, and entertainment. It should be noted that some of the differences between years reflect changes in the organizations that reported data. Also, percentages in this table are percentages of sales by the sales force.
Source: American Management Assns., *Executive Compensation Service.*

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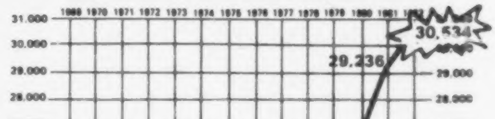

How Naples Stacks Up In The Big Florida Market

Sales Per Household

Total Retail Sales	Food	Furniture Appliance	Auto
Naples $17,642	Naples $3,824	Sarasota $1,173	Naples $3,539
Ft. Lauderdale $14,980	Ft. Myers $3,607	Naples $1,102	Ft. Lauderdale $3,508
Sarasota $14,510	Orlando $3,501	Miami $935	Jacksonville $3,003
Ft. Myers $14,488	W. Palm Bch $3,280	Ft. Myers $898	Pensacola $2,923
Orlando $14,322	Tampa/S.P. $3,252	Ft. Lauderdale $702	Orlando $2,793

Sources: University of Florida
1982 Survey of Buying Power, Sales & Marketing Management

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TABLE III-3

Total selling expenses as a percentage of company sales

Industry	1982	1981
Consumer goods		
Durable goods	3.6%	4.2%
Ethical pharmaceuticals, surgical supplies, & equipment	9.5	12.7
Food	3.4	5.7
Major household items	4.6	7.1
Proprietary drugs & toiletries	4.4	11.4
Industrial goods		
Automotive parts & accessories	3.4	4.5
Building materials	2.8	2.6
Chemicals & petroleum	1.3	2.6
Computers, office & educational supplies, & equipment	7.0	7.8
Containers, packaging materials, & paper	3.0%	1.9%
Electrical materials	2.4	2.0
Electronics & instruments	4.3	4.2
Fabricated metals (heavy)	4.7	2.5
Fabricated metals (light)	4.1	3.9
Fabrics & apparel	4.3	3.1
Iron & steel	2.1	1.8
Machinery (heavy)	5.7	2.3
Machinery (light)	7.1	5.9
Printing & publishing	4.3	4.7
Rubber, plastics, & leather	3.9	3.0
Tools & hardware	8.3	7.1

Note: Selling expenses cover cost of median compensation of salespeople and sales management, travel, lodging, meals and entertainment, advertising, and promotion. One of the major difficulties encountered in gathering such information is that wide differences exist between companies in the definition of selling expenses and the costs included in such figures. In addition, some of the differences between years reflect changes in the organizations that reported data.
Source: American Management Assns., *Executive Compensation Service.*

TABLE III-4

Total compensation by performance level and type of plan

	Type Of Plan				
Salesperson	Straight Commission	Salary Only	Salary Plus Bonus	Salary Plus Commission	Salary Plus Commission Plus Bonus
Average performer					
Median	$ 45,000	$30,000	$30,000	$31,900	$29,200
Middle 50% range					
Low	35,000	26,200	25,800	28,100	24,300
High	54,400	33,400	33,800	40,000	36,300
Below-average performer					
Median	24,000	25,000	23,100	23,500	20,800
Middle 50% range					
Low	20,000	22,000	19,900	19,100	18,700
High	33,000	28,000	26,100	30,000	25,000
Top performer					
Median	89,000	34,400	38,500	50,000	41,500
Middle 50% range					
Low	66,600	31,000	31,800	38,600	34,000
High	110,000	42,000	45,400	65,000	55,300

Note: Data based on survey of characteristics of 319 participating sales forces and individual sales representatives comprising them. Sales management, part-time employees, and non-employed sales reps were excluded. Also excluded were travel and expense allowances and perquisites.
Source: The Conference Board, *Compensating Field Sales Representatives*, Report No. 828.

TABLE III-5

Alternative sales compensation and incentive plans

	Percent Of Companies Using Plans				
	All Industries		Consumer Products	Industrial Products	Other Commerce/Industry
Method	**1982**	1981	1982	1982	1982
Straight salary	**21.9%**	18.9%	16.5%	21.0%	35.9%
Draw against commission	**6.2**	6.3	9.7	6.0	1.6
Salary plus commission	**28.0**	29.9	27.2	28.0	29.7
Salary plus individual bonus	**30.1**	33.2	34.0	31.1	17.2
Salary plus group bonus	**2.2**	2.5	1.9	2.4	1.6
Salary plus commission plus individual or group bonus	**11.6**	9.2	10.7	11.5	14.0
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Note: Some year-to-year differences reflect changes in the organizations reporting data.
Source: American Management Assns., *Executive Compensation Service.*

TABLE III-6

Starting salaries of sales trainees by industry

Industry	1980 Average Hiring Rate (Median)	As % Of Avg. Performers' Total Compensation
All Industry	$16,800	55%
Consumer		
Textiles—apparel & mill products	15,500	38
Consumer chemicals	15,400	67
Lumber, wood products, & furniture	15,000	49
Food, beverage, & tobacco	14,100	67
Industrial		
Machinery	18,700	60
Industrial chemicals	18,500	65
Electric and electronic machinery	18,000	61
Fabricated metal products	18,000	57
Primary metals	18,000	55
Professional & scientific instruments	17,500	50
Glass, clay, & stone products	17,000	63
Rubber & plastic products	17,000	54
Transportation equipment	17,000	57
Paper	16,500	58
EDP products & services	14,800	42
Other		
Petroleum products	16,600	60
Communications & publishing	15,000	38

Source: The Conference Board, *Compensating Field Sales Representatives*, Report No. 828.

Definitions

Field sales personnel

Sales trainee: Anyone who is learning about the company's products, services, and policies, as well as proven sales techniques, in preparation for a sales assignment.

Salesperson Grade A: A "regular" salesperson who has little or no selling experience except that which has been acquired in the company's sales training program. He contacts established and prospective customers to develop interest in the company's products and to sell them.

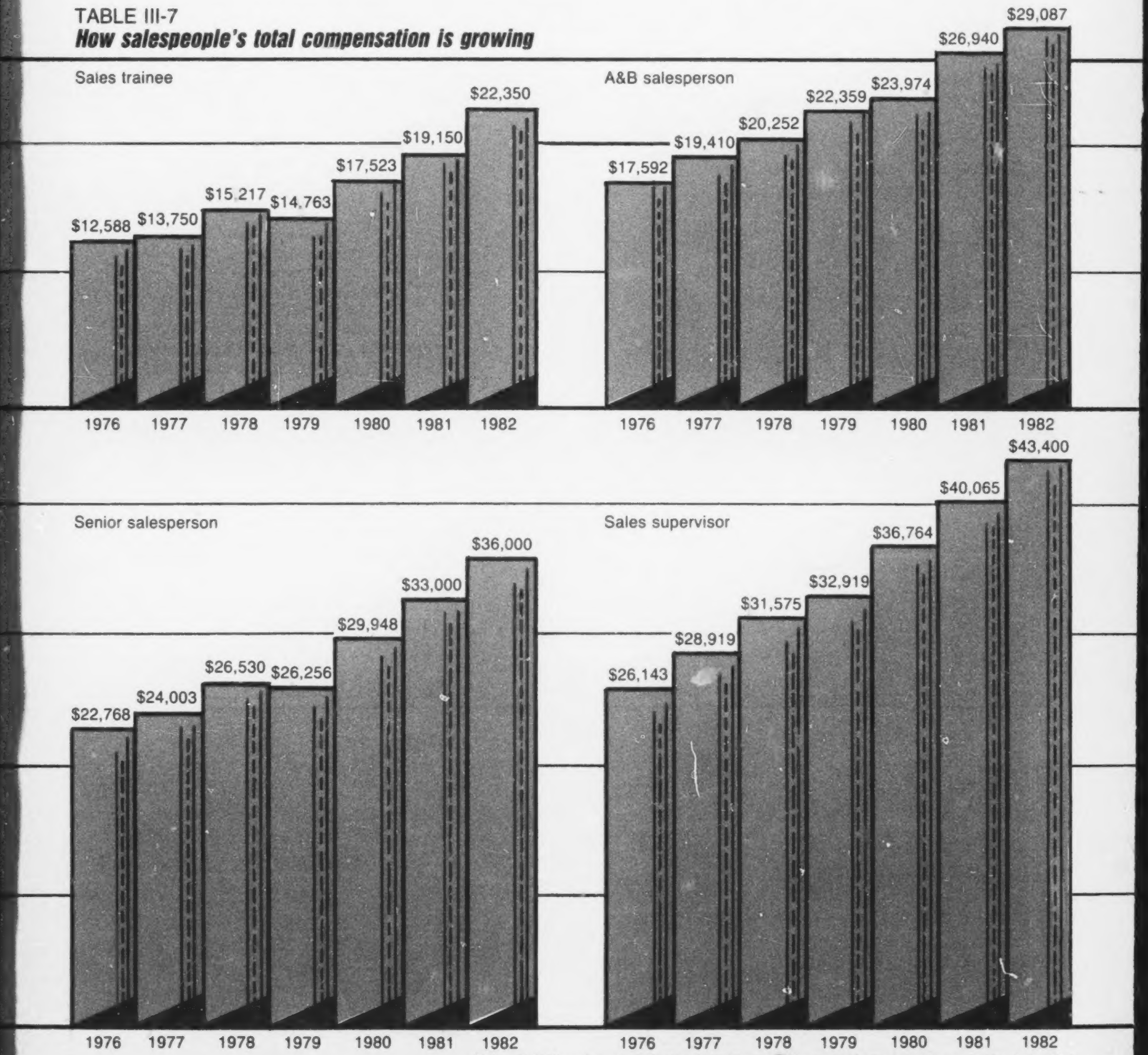
Salesperson Grade B: A salesperson who has broad knowledge of the company's products and services and sells in a specifically assigned territory. He maintains contact with established customers and develops new prospects.

Senior salesperson: A salesperson at the highest level of selling responsibility. He is completely familiar with the company's products, services, and policies; he usually has years of experience and is assigned to major accounts and territories.

Sales supervisor: A veteran salesperson who, be-

TABLE III-7

How salespeople's total compensation is growing



Note: Salaries plus commission incentives. Figures apply to consumer goods, industrial goods, and "other," that is, insurance, services, transportation, and utilities.
Source: American Management Assns., *Executive Compensation Service.*

cause of his abilities and experience, leads others. Although his primary function is to direct the activities of and train salespeople and sales trainees, he may also sell to selected key accounts.

Sales-support personnel

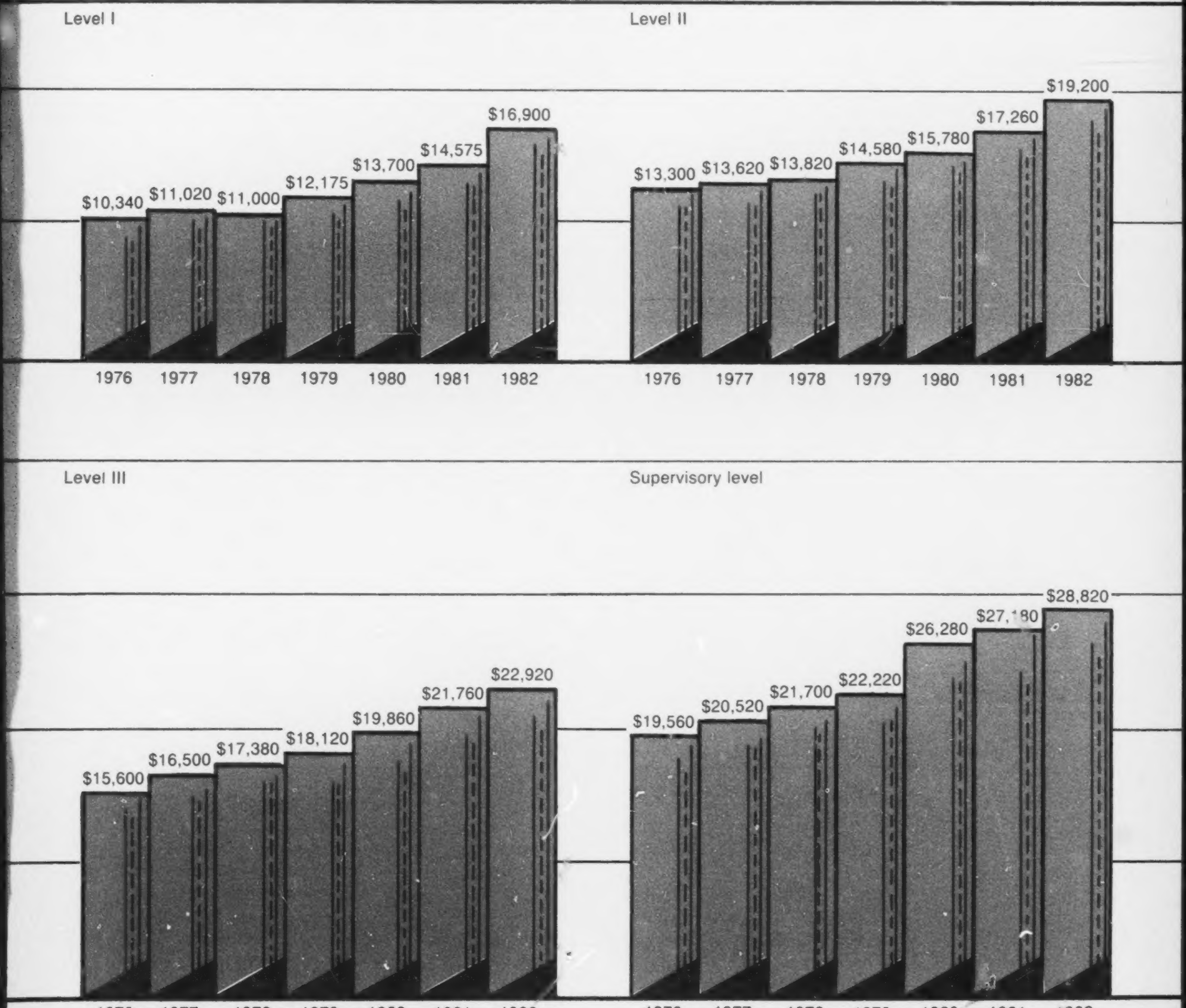
Level I: This individual performs assigned tasks, using established procedures that require little evaluation. Generally reports to a supervisor.

Level II: An intermediate-level worker who performs tasks involving limited responsibilities and standard procedures. Some originality and evaluation is required.

Level III: The highest nonsupervisory worker, expected to exercise considerable originality and make evaluations. On occasion, this person assists in training and supervising trainees and Level I employees.

Supervisor: This individual's primary job is to direct others in the accomplishment of assigned work. He also consults with superiors on more complex phases of assigned work.

TABLE III-8
How compensation for sales-support personnel is growing



Note: Includes sales analysts, customer service representatives, sales correspondents, sales training representatives, exhibit and display coordinators.
Source: American Management Assns., *Executive Compensation Service*

TABLE III-9

Manufacturers' representatives' commissions

Product Market	1982 Commissions Paid	
	Average High	Average Low
Consumer goods		
Electrical consumer products	9.03%	6.26%
Electronic consumer products	9.33	5.50
Food products & services	6.67	3.33
Furniture & furnishings	12.14	5.70
Hardware & houseware	9.47	4.67
Medical supplies & services	23.21	9.75
Mobile homes, accessories & supplies	7.50	5.00
Retail consumer products & services	12.29	5.65
Sporting goods supplies & accessories	13.00	6.55
Textile apparel	11.14	7.43
Textile, carpet, drapery, & related materials	10.75	2.38
Toys, gifts, & novelties	15.00	7.63
Industrial goods		
Abrasives	10.27	6.97
Advertising products & services	15.82	8.40
Aerospace & aviation	11.13	5.78
Agricultural chemicals	15.00	6.40
Agricultural equipment & machinery	10.27	5.83
Architects & interior designers	14.83	7.17
Automotive aftermarket	8.76	4.73
Automotive, OEM	6.67	3.78
Beauty salon & barber equipment & supplies	15.38	7.75
Building materials & supplies	9.21	4.35
Castings & forgings	6.04	4.49
Chemicals, industrial	11.78	7.20
Chemicals, maintenance	11.87	6.93
Coatings	13.78	8.22
Computer hardware, software, & peripheral equipment	14.66	9.70
Construction equipment & machinery	9.63	5.78
Controls & instrumentation	17.49	9.21
Electrical, technical & industrial	12.57	6.42
Electronic communications, audiovisual, & professional products	12.19	7.38
Electronic components & materials	8.86	5.11
Electronic & technical products	15.14	8.07
Energy	15.68	8.94
Fasteners	7.18	4.88
Food chemicals	16.75	6.25
Food processing	15.53	8.38
Food-service equipment	11.88%	5.91%
Gas, oil, & petroleum products & services	15.94	6.31
Government	13.73	8.82
Heavy-duty truck-trailer equipment	9.14	6.00
Import & export	12.38	6.70
Industrial equipment & machinery	15.99	6.89
Industrial supplies	11.90	6.17
Lubricants	11.52	7.41
Lumber industry	5.50	3.05
Machining services	7.68	4.97
Maintenance supplies	16.71	7.26
Marine	13.00	7.19
Materials handling	13.40	6.76
Metals processing, assemblies, & products	6.95	4.80
Metals & raw materials	6.44	3.52
Mining	14.00	10.00
Nursery & florist	12.50	6.75
Office supplies & equipment	15.00	6.30
Optical supplies	10.40	6.60
Packaging & plastics	9.18	5.30
Paints & varnishes	9.85	7.45
Paper industry	9.00	4.31
Photographic supplies	14.00	5.40
Plastics	7.52	4.99
Plumbing, heating, ventilation, & air conditioning	13.50	6.23
Pollution products & services	16.17	7.36
Power transmission	10.11	5.62
Process equipment	16.23	6.96
Pumps	17.12	8.13
Recreational vehicles, aftermarket & OEM	7.88	5.31
Refractories	10.71	6.07
Rubber products	7.76	5.15
Safety, emergency, & security products	13.55	8.34
Scientific research equipment & supplies	19.82	9.94
Screw machine products	5.80	4.81
Steel mills & foundries	6.69	4.10
Textile, industrial	8.14	4.43
Transportation	7.50	6.25
Tubing	6.45	4.17
Utilities	19.38	7.63
Veterinary	12.50	10.00
Water treatment equipment & products	16.18	8.91
Welding	9.41	6.26

Source: Manufacturers' Agents National Assn., *1983 Survey of Sales Commissions.*

TABLE III-10

Compensation of average performers by industry

Industry	Total Compensation	Salary Or Regular Draw	Incentive	
			Bonus	Commission
All industry	**$30,000**	**$24,500**	**$3,000**	**$12,000**
Consumer				
Textiles—apparel & mill products	42,400	30,000	7,000	15,000
Lumber, wood products, & furniture	30,400	22,200	7,200	45,000
Consumer chemicals	27,200	23,000	3,400	2,900
Food, beverage, & tobacco	20,300	17,500	2,000	7,400
Industrial				
EDP products & services	38,000	22,000	5,000	25,000
Primary metals	36,700	33,000	7,400	3,600
Electric & electronic machinery	32,100	23,000	2,600	15,000
Nonelectrical machinery	31,500	25,000	5,000	11,500
Professional & scientific instruments	$31,200	$22,400	$2,700	$10,000
Transportation equipment	30,000	26,000	4,000	8,500
Fabricated metal products	30,000	25,000	3,000	8,000
Paper	30,000	25,000	3,000	17,000
Industrial chemicals	29,900	26,400	3,200	6,000
Rubber & plastic products	28,700	25,400	4,700	6,600
Glass, clay, & stone products	28,000	25,200	3,000	1,100
Other				
Communications & publishing	30,600	20,000	1,000	11,300
Petroleum products	29,600	25,800	800	21,600

Source: The Conference Board, *Compensating Field Sales Representatives,* Report No. 828.

TABLE III-11
Compensation at rep companies in the electronics industry

Number Of Salespeople	*1*	*2*	*3*	*4*	*5*	*6*	*7+*
Components & materials							
High average ($000)	$31	$49	$47	$53	$48	$50	$73
Low average ($000)	—	33	23	24	24	22	28
Technical products & computer peripherals							
High average ($000)	43	33	59	45	73	52	92
Low average ($000)	—	24	31	33	31	—	32
Technical products & others							
High average ($000)	43	40	48	56	65	75	69
Low average ($000)	—	25	26	30	24	32	31

Source: R.W. Parsons Co., *Rep Talk.*

TABLE III-12
Living costs standards for relocation programs

Annual family income: $43,000
Family size: 4 persons

Home profile: 8 rooms, 4 bedrooms, 2.5 baths, 2,300 sq. ft. of living area.
Car profile: 1st car: 1982 Chevrolet Impala, driven 14,000 miles yearly. 2nd car: 1978 Chevrolet Nova, driven 6,000 miles yearly.

Core City	*Housing*	*Taxes*	*Transportation*	*Goods & Services*	*Total*
San Francisco	$20,887	$7,277	$6,488	$14,890	$49,542
Boston	18,790	8,978	5,758	13,770	47,296
Chicago	16,710	8,620	5,647	14,910	45,887
Washington, DC	16,454	8,956	5,703	13,949	45,062
St. Louis	14,629	9,654	5,484	13,969	43,736
Atlanta	14,486	9,677	5,510	13,850	43,523
Standard City USA	**14,139**	**9,564**	**5,448**	**13,849**	**43,000**
Omaha	15,147	8,970	5,200	13,659	42,976
Dallas	14,008	8,847	5,154	14,215	42,224
Louisville	12,721	10,705	5,298	13,444	42,168
Indianapolis	13,481	9,305	5,404	13,720	41,910

Annual family income: $34,000
Family size: 4 persons

Home profile: 7 rooms, 3 bedrooms, 2 baths, 1,800 sq. ft. of living area.
Car profile: 1st car: 1981 Chevrolet Malibu, driven 14,000 miles yearly. 2nd car: 1978 Chevrolet Nova, driven 6,000 miles yearly.

Core City	*Housing*	*Taxes*	*Transportation*	*Goods & Services*	*Total*
San Francisco	$15,069	$5,480	$5,647	$12,379	$38,575
Boston	14,336	6,587	5,089	11,409	37,421
Chicago	12,581	6,317	4,986	12,401	36,285
Washington, DC	12,614	6,459	5,020	11,568	35,661
Atlanta	11,455	6,776	4,848	11,498	34,577
St. Louis	11,056	6,960	4,804	11,589	34,409
Omaha	11,939	6,251	4,559	11,340	34,089
Standard City USA	**10,997**	**6,748**	**4,775**	**11,480**	**34,000**
Indianapolis	10,882	6,508	4,758	11,371	33,519
Dallas	10,723	6,269	4,518	11,815	33,325
Louisville	9,827	7,709	4,658	11,131	33,325

Notes: The above tables represent three-year-old mortgage values, and the families incur all normal home-ownership and maintenance costs. Car expenses include both fixed and operating costs. The family pays federal, state, and local income taxes, plus Social Security. This family has also set aside a certain amount for investments and savings. Costing is based on representative communities surrounding the core city in which families earning this amount are most likely to reside.
Source: Runzheimer and Co., Inc., an international management consulting company specializing in travel and living costs, based in Rochester, WI.

TABLE III-13
Starting salaries of trainees with college degrees

Functional Area	*Average Annual Salary 1982*	*1981*[1]	*% Gain 1981–82*
	Bachelor's Degree		
Sales—nontechnical degree	$17,208	$16,008	7.5%
Sales—technical degree	23,064	18,696	23.4
Type Of Degree			
	M.B.A. Candidates		
Business administration, industrial management, or commerce			
With nontechnical undergraduate degree	$25,620	$24,000	6.8%
With technical undergraduate degree	27,768	26,268	5.7

[1] Not directly comparable because College Placement Council changed its classifications. The Council explains that its former "marketing" classification included both sales and marketing functions, leading to some confusion. The new "sales" classification includes sales functions only.
Note: Applies to candidates with one year or less of full-time, nonmilitary employment. Data are based on offers, not acceptances.
Source: College Placement Council, *Salary Survey—A Study of 1981–82 Beginning Offers, Final Report,* July 1982; copyright 1982.

TABLE III-14
Starting salaries offered to college graduates to be hired

Field	*Class Of 1983*	*Class Of 1982**	*% Change 1982–83*
	Bachelor's Degree		
Sales-marketing	$18,648	$18,372	+1.5%
Business administration	18,564	17,448	+6.4
	M.B.A. Degree		
With technical B.S.	$25,764	$26,580	−3.1%
With nontechnical B.A.	26,676	25,788	+3.4

Note: Salaries are what companies offered, not what they actually paid.
Source: Northwestern Univ. Placement Center, *The Endicott Report 1983;* copyright 1982.

TABLE III-15
Starting salaries paid to college graduates

Field	*1982*	*1981*	*% Gain 1981–82*
	Bachelor's Degree		
Sales-marketing	$18,072	$17,544	3.0%
Business administration	17,940	16,440	9.1
	M.B.A. Degree		
With technical B.S.	$24,612	$24,096	2.1%
With nontechnical B.A.	25,428	22,740	11.8

Note: Salaries that companies paid last year, as distinguished from what they initially offered.
Source: Northwestern Univ., Placement Center, *The Endicott Report 1983;* copyright 1982.

TABLE III-16
Salary statistics for M.B.A. graduates entering industrial marketing

	Class Of 1982	*Class Of 1981*	*% Gain 1981–82*
Average starting salary	$30,971	$30,379	1.9%
Range	$23,000–$38,000	$23,000–$43,000	N.A.

N.A.—Not applicable.
Note: The survey sample includes graduates with three to five years industrial experience prior to receiving their M.B.A.
Source: Wharton Graduate School, Univ. of Pennsylvania, *Preliminary Salary Survey.*

Sales meetings and sales training

TABLE	TITLE
IV-1	Average cost of sales training per salesperson
IV-2	Length of training period for new salespeople
IV-3	Sites most frequently used for sales training
	Step-by-step sequence in preparing a sales meeting budget
IV-4	Sales meetings costs
IV-5	Conference centers: Learning away from it all
IV-6	Selected resort hotels: Combining learning with luxury
IV-7	Selected airport hotels
IV-8	Selected budget motel chains

A helpful subject-matter index to all statistical information appears on page 134.

TABLE IV-1
Average cost of sales training per salesperson

	Training Cost* Including Salary		% Increase	Median Training Period (Weeks)	
Type Of Company	**1982**	*1981*	*1981–82*	*1982*	*1981*
industrial products	**$22,490**	$21,017	7.0%	21	23
Consumer products	**15,090**	14,294	5.6	20	20
Services**	**14,720**	12,864	14.4	15	12

*In addition to salary, covers such items as instructional materials prepared, purchased, and rented for training program; transportation and living expenses incurred during training course; instructional staff; outside seminars and courses; and management time spent with salesperson when it is a part of the training budget.

**Includes insurance, financial, utilities, transportation, retail stores, etc.

Source: Sales & Marketing Management survey.

TABLE IV-2
Length of training period for new salespeople

	Type Of Company					
	Industrial Products		Consumer Products		Services*	
Time Period	*1982*	*1981*	*1982*	*1981*	*1982*	*1981*
0 to 6 wk.	33%	35%	20%	43%	25%	33%
Over 6 wk. to 3 mo.	8	17	20	7	33	33
Over 3 mo. to 6 mo.	25	30	50	36	25	17
Over 6 mo. to 12 mo.	33	12	10	14	17	17
Over 12 mo.	1	6	0	0	0	0
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Median Training Period (wk.)	**21**	**23**	**18**	**20**	**15**	**12**

*Includes insurance, financial, utilities, transportation, retail stores, etc.

Source: Sales & Marketing Management survey.

TABLE IV-3
Sites most frequently used for sales training

	% Of Companies Conducting Training At This Location			Median Length Of Training Time At This Location		
Location	*Industrial Products*	*Consumer Products*	*Services**	*Industrial Products*	*Consumer Products*	*Services**
Home office	83%	80%	67%	4 wk.	3 wk.	5 wk.
Field office	58	90	33	6 wk.	12 wk.	5 wk.
Regional office	75	60	35	4 wk.	1 wk.	4 wk.
Plant locations	25	30	0	2 wk.	1 wk.	0
Central training facility (away from home office)	33	20	33	3 wk.	2 wk.	1 wk.
Noncompany site (hotel, restaurant, club)	0	10	17	0	1 wk.	2 wk.

*Includes insurance, financial, utilities, transportation, retail stores, etc.

Note: Length of time should not necessarily be considered cumulative because not all training programs include all locations.

Source: Sales & Marketing Management survey.

Step-by-step sequence in preparing a sales meeting budget

Hotel Costs	1. City (New Orleans)	2. No. Of Meeting Participants	3. No. Of Times Cost Is Incurred	4. Cost Per Person	11. Total Cost Per Meeting
5. Lodging	$70.00	48	91	$77.00	$7,007
6. Meals					
Breakfast	8.60	48	96	8.60	826
Lunch	13.85	48	96	13.85	1,330
Dinner	21.10	53	53	21.10	1,118
7. Coffee breaks	3.00	48	144	3.00	432
8. Cocktail party	22.50	53	53	11.25	596
9. Meeting room					—
10. Hospitality-suite rental					—
12. Subtotal (hotel costs)					**$11,309**

Supplementary costs	
13. Audiovisual rental	$308
14. Meals away from hotel	820
15. Transportation from airport to meeting site	871
16. Automobile rental	—
17. Transportation to and from meeting city	7,117
18. Entertainment, printed materials, handouts, etc.	1,215
19. Subtotal (supplementary costs)	**$10,331**
20. Grand total	**$21,640**
21. Number of participants	48
22. Average cost per participant	**$450.85**

Using information from *S&MM's Survey of Selling Costs*, a marketer can get a more reliable fix on the costs of a sales meeting. In the hypothetical example used here, a two-day divisional meeting is planned for New Orleans. Of the 48 people who will attend, 43 will arrive from out of town the evening before the meeting starts.

Hotel costs

1. According to Table IV-4: Sales Meeting Costs (page 84), median group lodging rates range from $57 to $85 for a single room. For budget purposes, the sales manager plans to use a hotel that charges no more than $70 daily (Column 1, Line 5).
2. He enters the number of meeting participants who will attend each function in items 5 through 8.
3. The 43 people arriving the night before will need lodging for two nights, the other 5 only one night, so the number of times the lodging cost is incurred comes to 91 (Column 3, Line 5).
4. Table II-3: Meal and Lodging Tax Rates (page 65) indicates that New Orleans has a 10% room tax, which brings the cost per person to $77.00.
5. Multiplying this figure by the figure in Column 3 results in a total lodging cost of $7,007 (Column 11, Line 5).
6. Referring again to Table IV-4, he enters the cost of group meals in Column 1, Line 6: Breakfast, $8.60, Lunch, $13.85, and Dinner, $21.10. The two-day meeting will require two breakfasts and two lunches so the number of times those individual costs are incurred comes to 96. Multiplying that figure by each meal cost results in a total breakfast cost of $826 and a total lunch cost of $1,330. A reception and dinner will be held in the hotel at the end of the first day, and 5 people from top management will attend as guest speakers, bringing the number of attendees to 53. Multiplying that number by the meal cost results in a total dinner cost of $1,118.
7. The meeting will end early the afternoon of the second day so only three coffee breaks are planned (Column 3, Line 7).
8. Although the median rate for a two-hour reception is $22.50 (as indicated in Table IV-4), the sales manager plans only a one-hour function and cuts the cost in half to $11.25 (Column 4, Line 8).
9. Because he has reserved sleeping rooms and will have sizable meal functions, the sales manager knows that the hotel will waive meeting-room charges.
10. The same applies to hospitality-suite rental.
11. The total cost for each function is derived by multiplying the cost of each function by the number of times the cost will be incurred (Column 11).
12. Adding the functional costs in Column 11 results in total hotel cost of $11,309.

Supplementary costs

13. The sales manager would have no audiovisual rental cost because he will use the overhead projector and screen normally furnished by hotels; however, he plans to rent a large TV screen and player for entertainment during the dinner function and he determines from Table V-3 (page 120) that he can expect to pay about $308 for this equipment (Line 13).
14. Dinner costs will have to be allowed for the 43 attendees arriving on the night before the meeting. Table II-1: Metro Sales Costs (page 44) shows that a dinner in New Orleans costs about $17.65. Table II-3 shows that New Orleans adds an 8% tax to meals, which brings the cost per person to $19.06. Multiplying this figure by 43 results in a $820 cost for meals away from the hotel (Line 14).
15. The taxi fare from airport to downtown, also found in Table II-1, indicates that the total cost for this item will come to $871 ($20.25 × 43; Line 15).
16. The attendees will spend all their time at the meeting, hence there will be no need for auto rentals (Line 16).
17. The traffic department tells the sales manager that air coach fares for flying the 43 out-of-towners to New Orleans will aggregate $7,117 (Line 17).
18. The cost for transparencies, printed workshop materials, and the like is budgeted at $1,215 (Line 18).
19. Adding up the various supplementary items results in a subtotal of $10,331 (Line 19).
20. Combining hotel and supplementary costs provides a grand total of $21,640 (Line 20).
21. The number of participants is 48.
22. Dividing grand total costs by 48 results in an average cost per participant of $450.85 (Line 22). If this same procedure is followed for calculating the per-participant cost of other candidate cities, the sales manager will learn which location is a more economical choice.

TABLE IV-4 **Sales meetings costs**

	Lodging (Group Rates)		*Food And Beverage (Group Rates)*		*Hospitality Functions*		*Meeting Rooms*
City	*Daily Room Rates Single*	*Daily Room Rates Double*	*Meals (Per Person)*	*Coffee Break With Rolls (Per Person)*	*Hospitality-Suite Rental*	*2-Hr. Reception With Hors d'Oeuvres (Per Person)*	*Median Rental*
Atlanta, GA	*Low:* Median $58.00 Range $47.00–$65.00 *High:* Median $79.00 Range $67.00–$85.00	*Low:* Median $61.00 Range $60.00–$79.00 *High:* Median $93.00 Range $81.00–$99.00	B—Median $7.10 Range $5.35–$10.10 L—Median $11.90 Range $7.45–$20.15 D—Median $19.85 Range $11.30–$34.45	Median $2.55 Range $1.50–$2.95	Median $155.00 Range $150.00–$350.00	Median $17.70 Range $14.50–$21.55	For 25: $ 97.50 For 50: 150.00 For 75: 225.00 For 100: 330.00
Boston, MA	*Low:* Median $80.00 Range $70.00–$95.00 *High:* Median $98.00 Range $90.00–$115.00	*Low:* Median $90.00 Range $85.00–$105.00 *High:* Median $105.00 Range $98.00–$130.00	B—Median $9.25 Range $5.45–$12.90 L—Median $14.25 Range $9.65–$21.90 D—Median $20.90 Range $14.50–$30.75	Median $2.75 Range $2.00–$3.45	Median $250.00 Range $150.00–$500.00	Median $20.00 Range $8.00–$32.10	For 25: $150.00 For 50: 160.00 For 75: 275.00 For 100: 300.00
Chicago, IL	*Low:* Median $59.25 Range $39.00–$85.00 *High:* Median $76.50 Range $49.00–$90.00	*Low:* Median $70.00 Range $49.00–$95.00 *High:* Median $88.00 Range $59.00–$110.00	B—Median $8.60 Range $6.75–$12.60 L—Median $14.95 Range $9.80–$20.90 D—Median $20.85 Range $16.90–$36.90	Median $3.05 Range $2.50–$3.60	Median $170.00 Range $50.00–$350.00	Median $16.90 Range $10.25–$20.00	For 25: $115.00 For 50: 145.00 For 75: 175.00 For 100: 205.00
Cleveland, OH	*Low:* Median $52.00 Range $40.00–$68.00 *High:* Median $59.00 Range $48.00–$70.00	*Low:* Median $62.00 Range $45.00–$80.00 *High:* Median $66.00 Range $56.00–$80.00	B—Median $7.70 Range $3.35–$13.90 L—Median $11.35 Range $7.45–$18.45 D—Median $18.30 Range $10.90–$28.40	Median $2.30 Range $1.35–$3.50	Median $160.00 Range $75.00–$340.00	Median $17.50 Range $12.00–$20.00	For 25: $ 72.50 For 50: 112.50 For 75: 158.00 For 100: 207.50
Dallas, TX	*Low:* Median $53.00 Range $36.00–$95.00 *High:* Median $64.00 Range $42.00–$115.00	*Low:* Median $63.00 Range $46.00–$115.00 *High:* Median $73.00 Range $52.00–$130.00	B—Median $7.15 Range $4.20–$14.35 L—Median $12.00 Range $6.60–$21.60 D—Median $17.70 Range $9.00–$30.00	Median $2.75 Range $1.50–$3.60	Median $160.00 Range $55.00–$250.00	Median $20.25 Range $10.00–$32.10	For 25: $ 82.50 For 50: 120.00 For 75: 150.00 For 100: 225.00

DEFINITIONS—**Lodging:** Rates are shown for two types of accommodations, economy (low) and premium (high). The median rate is the figure that has an equal number of responses above and below it. Preferred rates are often available if the group guarantees a specific number of rooms. **Food and beverage:** Tax and tips included in median costs. **B**—Breakfast typically includes fruit or juice, entrée, rolls/toast/sweet rolls, and beverage. **L** and **D**—Lunch or dinner typically includes appetizer, salad, entrée, two vegetables or potato and a vegetable, roll, butter, dessert, and beverage. Buffet meals, cold plates, and sandwich menus are often available at approximately the same costs at noon. **Hospitality functions:** Groups are not always charged for a hospitality suite if the hotel provides liquor and hors d'oeuvres. **Meeting rooms:** There is generally no meeting room charge if a specific number of sleeping rooms are required or if a group meal is included with the meeting.

Source: Sales & Marketing Management survey.

TABLE IV-4 *Sales meetings costs*

City	*Lodging (Group Rates)*		*Food And Beverage (Group Rates)*		*Hospitality Functions*		*Meeting Rooms*
	Daily Room Rates Single	*Daily Room Rates Double*	*Meals (Per Person)*	*Coffee Break With Rolls (Per Person)*	*Hospitality-Suite Rental*	*2-Hr. Reception With Hors d'Oeuvres (Per Person)*	*Median Rental*
Detroit, MI	*Low:* Median $53.25 Range $45.00–$69.00 *High:* Median $63.25 Range $50.00–$89.00	*Low:* Median $64.00 Range $50.00–$84.00 *High:* Median $74.50 Range $60.00–$104.00	B—Median $6.55 Range $3.25–$10.15 L—Median $9.85 Range $6.60–$16.25 D—Median $13.85 Range $9.30–$24.05	Median $2.60 Range $1.75–$3.05	Median $150.00 Range $85.00–$175.00	Median $16.15 Range $8.50–$26.15	For 25: $ 65.00 For 50: 95.00 For 75: 150.00 For 100: 200.00
Honolulu, HI	*Low:* Median $62.25 Range $23.00–$90.00 *High:* Median $83.50 Range $28.00–$120.00	*Low:* Median $62.25 Range $36.00–$90.00 *High:* Median $89.75 Range $46.00–$120.00	B—Median $9.45 Range $7.00–$12.30 L—Median $10.75 Range $8.20–$14.35 D—Median $22.15 Range $13.05–$32.90	Median $3.10 Range $1.50–$4.45	Median $160.00 Range $50.00–$440.00	Median $23.80 Range $18.75–$30.00	For 25: $107.50 For 50: 150.00 For 75: 200.00 For 100: 225.00
Houston, TX	*Low:* Median $58.00 Range $57.00–$110.00 *High:* Median $71.50 Range $68.00–$130.00	*Low:* Median $75.00 Range $62.00–$120.00 *High:* Median $85.00 Range $78.00–$155.00	B—Median $8.45 Range $4.05–$12.70 L—Median $12.10 Range $5.30–$14.60 D—Median $16.95 Range $8.45–$30.60	Median $3.05 Range $2.50–$3.75	Median $200.00 Range $78.00–$450.00	Median $22.70 Range $16.00–$36.30	For 25: $100.00 For 50: 187.50 For 75: 240.00 For 100: 300.00
Indianapolis, IN	*Low:* Median $37.50 Range $30.00–$49.00 *High:* Median $50.00 Range $36.00–$55.00	*Low:* Median $45.00 Range $38.00–$56.00 *High:* Median $52.00 Range $45.00–$65.00	B—Median $6.25 Range $5.50–$8.70 L—Median $8.20 Range $6.20–$9.95 D—Median $14.40 Range $11.20–$17.45	Median $2.50 Range $1.95–$3.00	Median $100.00 Range $50.00–$150.00	Median $16.50 Range $10.50–$18.75	For 25: $ 65.00 For 50: 75.00 For 75: 150.00 For 100: 200.00
Las Vegas, NV	*Low:* Median $52.50 Range $30.00–$65.00 *High:* Median $65.00 Range $30.00–$70.00	*Low:* Median $52.50 Range $30.00–$65.00 *High:* Median $65.00 Range $30.00–$70.00	B—Median $7.35 Range $4.90–$12.30 L—Median $8.60 Range $4.85–$15.35 D—Median $16.80 Range $6.75–$30.65	Median $2.70 Range $1.50–$3.25	Median $140.00 Range $65.00–$350.00	Median $23.00 Range $18.00–$50.00	For 25: $ 55.00 For 50: 75.00 For 75: 100.00 For 100: 150.00

DEFINITIONS—**Lodging:** Rates are shown for two types of accommodations, economy (low) and premium (high). The median rate is the figure that has an equal number of responses above and below it. Preferred rates are often available if the group guarantees a specific number of rooms. **Food and beverage:** Tax and tips included in median costs. **B**—Breakfast typically includes fruit or juice, entrée, rolls/toast/sweet rolls, and beverage. **L** and **D**—Lunch or dinner typically includes appetizer, salad, entrée, two vegetables or potato and a vegetable, roll, butter, dessert, and beverage. Buffet meals, cold plates, and sandwich menus are often available at approximately the same costs at noon. **Hospitality functions:** Groups are not always charged for a hospitality suite if the hotel provides liquor and hors d'oeuvres. **Meeting rooms:** There is generally no meeting room charge if a specific number of sleeping rooms are required or if a group meal is included with the meeting.

Source: Sales & Marketing Management survey.

TABLE IV-4 **Sales meetings costs**

City	*Lodging (Group Rates)*		*Food And Beverage (Group Rates)*		*Hospitality Functions*		*Meeting Rooms*
	Daily Room Rates Single	*Daily Room Rates Double*	*Meals (Per Person)*	*Coffee Break With Rolls (Per Person)*	*Hospitality-Suite Rental*	*2-Hr. Reception With Hors d'Oeuvres (Per Person)*	*Median Rental*
Los Angeles, CA	*Low:* Median $69.00 Range $43.00–$110.00 *High:* Median $80.00 Range $55.00–$130.00	*Low:* Median $82.00 Range $51.00–$130.00 *High:* Median $92.60 Range $63.00–$150.00	B— Median $7.80 Range $6.40–$13.00 L— Median $10.90 Range $7.25–$22.40 D— Median $16.95 Range $9.10–$36.30	Median $3.30 Range $2.00–$5.20	Median $155.00 Range $80.00–$450.00	Median $21.85 Range $14.00–$33.80	For 25: $ 87.50 For 50: 150.00 For 75: 225.00 For 100: 287.50
Miami, FL	IN SEASON		YEAR-ROUND		YEAR-ROUND		YEAR-ROUND
	Low: Median $80.00 Range $70.00–$160.00 *High:* Median $125.00 Range $80.00–$160.00	*Low:* Median $99.00 Range $80.00–$160.00 *High:* Median $135.00 Range $80.00–$160.00	B— Median $9.00 Range $5.60–$18.70 L— Median $12.40 Range $6.60–$19.40 D— Median $20.90 Range $11.70–$37.50	Median $2.70 Range $2.25–$3.25	Median $190.00 Range $100.00–$392.50	Median $20.75 Range $14.80–$30.00	For 25: $100.00 For 50: 162.50 For 75: 162.50 For 100: 250.00
	OFF SEASON						
	Single *Low:* Median $65.00 Range $60.00–$98.00 *High:* Median $77.60 Range $65.00–$105.00	*Double* *Low:* Median $70.00 Range $60.00–$98.00 *High:* Median $91.50 Range $60.00–$110.00					
Milwaukee, WI	*Low:* Median $48.00 Range $35.00–$60.00 *High:* Median $54.50 Range $45.00–$66.00	*Low:* Median $55.00 Range $45.00–$64.00 *High:* Median $62.50 Range $55.00–$80.00	B— Median $6.45 Range $5.70–$8.70 L— Median $7.85 Range $5.40–$11.95 D— Median $14.50 Range $9.00–$21.00	Median $2.50 Range $1.50–$3.00	Median $120.00 Range $75.00–$315.00	Median $13.55 Range $9.50–$18.00	For 25: $ 70.00 For 50: 85.00 For 75: 200.00 For 100: 225.00
Minneapolis, MN	*Low:* Median $50.00 Range $40.00–$60.00 *High:* Median $65.00 Range $56.00–$75.00	*Low:* Median $59.00 Range $45.00–$75.00 *High:* Median $75.00 Range $64.00–$90.00	B— Median $7.05 Range $6.00–$8.35 L— Median $10.65 Range $9.55–$13.50 D— Median $16.20 Range $14.35–$21.55	Median $2.45 Range $1.50–$3.00	Median $150.00 Range $75.00–$300.00	Median $18.90 Range $12.95–$24.00	For 25: $115.00 For 50: 125.00 For 75: 125.00 For 100: 200.00
New Orleans, LA	*Low:* Median $74.00 Range $57.00–$85.00 *High:* Median $91.00 Range $70.00–$115.00	*Low:* Median $86.00 Range $67.00–$115.00 *High:* Median $111.00 Range $80.00–$135.00	B— Median $8.60 Range $6.85–$13.75 L— Median $13.85 Range $11.05–$19.70 D— Median $21.10 Range $16.00–$37.50	Median $3.00 Range $2.45–$3.20	Median $240.00 Range $175.00–$700.00	Median $22.50 Range $10.00–$35.70	For 25: $ 75.00 For 50: 100.00 For 75: 150.00 For 100: 200.00

TABLE IV-4 ***Sales meetings costs***

	Lodging (Group Rates)		*Food And Beverage (Group Rates)*		*Hospitality Functions*		*Meeting Rooms*
City	*Daily Room Rates Single*	*Double*	*Meals (Per Person)*	*Coffee Break With Rolls (Per Person)*	*Hospitality-Suite Rental*	*2-Hr. Reception With Hors d'Oeuvres (Per Person)*	*Median Rental*
New York, NY	*Low:* Median $84.00 Range $55.00–$110.00 *High:* Median $108.00 Range $65.00–$140.00	*Low:* Median $95.00 Range $60.00–$135.00 *High:* Median $115.00 Range $70.00–$160.00	B—Median $13.50 Range $10.65–$21.90 L—Median $21.50 Range $13.60–$23.20 D—Median $27.50 Range $19.40–$35.05	Median $4.60 Range $2.50–$6.20	Median $300.00 Range $135.00–$630.00	Median $27.75 Range $14.50–$34.00	For 25: $192.50 For 50: 200.00 For 75: 287.50 For 100: 375.00
Orlando, FL	*Low:* Median $58.00 Range $43.00–$80.00 *High:* Median $70.00 Range $49.00–$80.00	*Low:* Median $58.00 Range $51.00–$80.00 *High:* Median $75.00 Range $50.00–$80.00	B—Median $7.50 Range $4.80–$9.00 L—Median $9.50 Range $7.20–$13.25 D—Median $17.05 Range $11.20–$27.25	Median $2.90 Range $1.95–$3.50	Median $162.50 Range $125.00–$325.00	Median $17.30 Range $8.00–$30.00	For 25: $100.00 For 50: 112.50 For 75: 200.00 For 100: 250.00
Philadelphia, PA	*Low:* Median $52.00 Range $35.00–$72.00 *High:* Median $63.00 Range $43.00–$78.00	*Low:* Median $61.00 Range $42.00–$82.00 *High:* Median $73.00 Range $50.00–$88.00	B—Median $9.25 Range $4.35–$15.50 L—Median $10.75 Range $6.50–$16.10 D—Median $18.55 Range $12.70–$26.05	Median $3.25 Range $2.00–$4.40	Median $150.00 Range $75.00–$250.00	Median $17.35 Range $9.50–$24.50	For 25: $ 75.00 For 50: 125.00 For 75: 175.00 For 100: 245.00
Phoenix-Scottsdale, AZ	*Low:* Median $38.00 Range $29.00–$50.00 *High:* Median $73.00 Range $54.00–$145.00	*Low:* Median $46.65 Range $35.00–$60.00 *High:* Median $81.65 Range $60.00–$160.00	B—Median $8.35 Range $6.00–$12.00 L—Median $10.70 Range $8.40–$15.90 D—Median $21.00 Range $13.20–$33.00	Median $3.00 Range $2.45–$3.30	Median $150.00 Range $60.00–$400.00	Median $27.00 Range $10.75–$31.50	For 25: $100.00 For 50: 112.50 For 75: 150.00 For 100: 200.00
Pittsburgh, PA	*Low:* Median $55.00 Range $41.00–$66.00 *High:* Median $64.35 Range $41.00–$82.00	*Low:* Median $65.35 Range $46.00–$78.00 *High:* Median $74.00 Range $46.00–$94.00	B—Median $8.45 Range $4.80–$11.50 L—Median $12.70 Range $6.00–$16.35 D—Median $19.35 Range $7.25–$24.80	Median $2.80 Range $1.95–$3.20	Median $100.00 Range $75.00–$195.00	Median $17.25 Range $14.00–$27.25	For 25: $100.00 For 50: 140.00 For 75: 200.00 For 100: 275.00

DEFINITIONS—**Lodging:** Rates are shown for two types of accommodations, economy (low) and premium (high). The median rate is the figure that has an equal number of responses above and below it. Preferred rates are often available if the group guarantees a specific number of rooms. **Food and beverage:** Tax and tips included in median costs. **B**—Breakfast typically includes fruit or juice, entrée, rolls/toast/sweet rolls, and beverage. **L** and **D**—Lunch or dinner typically includes appetizer, salad, entrée, two vegetables or potato and a vegetable, roll, butter, dessert, and beverage. Buffet meals, cold plates, and sandwich menus are often available at approximately the same costs at noon. **Hospitality functions:** Groups are not always charged for a hospitality suite if the hotel provides liquor and hors d'oeuvres. **Meeting rooms:** There is generally no meeting room charge if a specific number of sleeping rooms are required or if a group meal is included with the meeting.

Source: Sales & Marketing Management survey.

TABLE IV-4 *Sales meetings costs*

City	*Lodging (Group Rates)*		*Food And Beverage (Group Rates)*		*Hospitality Functions*		*Meeting Rooms*
	Daily Room Rates Single	*Double*	*Meals (Per Person)*	*Coffee Break With Rolls (Per Person)*	*Hospitality-Suite Rental*	*2-Hr. Reception With Hors d'Oeuvres (Per Person)*	*Median Rental*
St. Louis, MO	*Low:* Median $59.00 Range $48.00–$74.00 *High:* Median $69.00 Range $56.00–$90.00	*Low:* Median $69.00 Range $56.00–$86.00 *High:* Median $74.50 Range $64.00–$102.00	B—Median $6.95 Range $5.45–$10.95 L—Median $11.05 Range $6.65–$17.70 D—Median $18.00 Range $11.50–$27.20	Median $2.60 Range $2.50–$3.80	Median $150.00 Range $100.00–$300.00	Median $19.75 Range $13.00–$24.60	For 25: $ 75.00 For 50: 125.00 For 75: 175.00 For 100: 200.00
San Antonio, TX	*Low:* Median $65.00 Range $39.00–$79.00 *High:* Median $83.00 Range $49.00–$97.00	*Low:* Median $85.00 Range $49.00–$96.00 *High:* Median $95.00 Range $59.00–$117.00	B—Median $8.45 Range $6.90–$10.25 L—Median $11.65 Range $6.35–$18.05 D—Median $18.05 Range $10.25–$30.10	Median $3.00 Range $2.40–$4.50	Median $175.00 Range $110.00–$400.00	Median $20.00 Range $17.50–$28.00	For 25: $ 75.00 For 50: 100.00 For 75: 150.00 For 100: 200.00
San Diego, CA	*Low:* Median $58.00 Range $35.00–$79.00 *High:* Median $75.00 Range $40.00–$89.00	*Low:* Median $68.00 Range $40.00–$89.00 *High:* Median $87.00 Range $50.00–$99.00	B—Median $7.95 Range $4.95–$15.00 L—Median $10.95 Range $5.95–$20.00 D—Median $18.00 Range $10.60–$32.05	Median $2.75 Range $2.05–$4.10	Median $150.00 Range $95.00–$250.00	Median $18.70 Range $10.00–$36.30	For 25: $ 80.00 For 50: 100.00 For 75: 150.00 For 100: 225.00
San Francisco, CA	*Low:* Median $79.00 Range $54.00–$99.00 *High:* Median $84.00 Range $68.00–$130.00	*Low:* Median $88.00 Range $60.00–$115.00 *High:* Median $96.00 Range $74.00–$155.00	B—Median $8.85 Range $5.15–$10.95 L—Median $13.05 Range $8.80–$18.25 D—Median $20.75 Range $10.30–$31.60	Median $3.65 Range $2.50–$4.85	Median $207.50 Range $75.00–$350.00	Median $24.60 Range $15.00–$32.65	For 25: $100.00 For 50: 150.00 For 75: 250.00 For 100: 275.00
Washington, DC	*Low* Median $87.00 Range $65.00–$95.00 *High:* Median $98.00 Range $85.00–$145.00	*Low* Median $106.00 Range $85.00–$115.00 *High:* Median $117.50 Range $102.00–$165.00	B—Median $11.10 Range $7.15–$13.65 L—Median $16.10 Range $10.30–$30.25 D—Median $23.25 Range $14.50–$42.15	Median $4.50 Range $4.00–$7.50	Median $250.00 Range $175.00–$550.00	Median $25.10 Range $13.00–$34.25	For 25: $150.00 For 50: 175.00 For 75: 225.00 For 100: 300.00

DEFINITIONS—**Lodging:** Rates are shown for two types of accommodations, economy (low) and premium (high). The median rate is the figure that has an equal number of responses above and below it. Preferred rates are often available if the group guarantees a specific number of rooms. **Food and beverage:** Tax and tips included in median costs. **B**—Breakfast typically includes fruit or juice, entrée, rolls/toast/sweet rolls, and beverage. **L** and **D**—Lunch or dinner typically includes appetizer, salad, entrée, two vegetables or potato and a vegetable, roll, butter, dessert, and beverage. Buffet meals, cold plates, and sandwich menus are often available at approximately the same costs at noon. **Hospitality functions:** Groups are not always charged for a hospitality suite if the hotel provides liquor and hors d'oeuvres. **Meeting rooms:** There is generally no meeting room charge if a specific number of sleeping rooms are required or if a group meal is included with the meeting.

Source: Sales & Marketing Management survey.

TABLE IV-5

Conference centers: Learning away from it all

(continued on next page)

Facilities & Rates	**Arrowwood of Westchester** *Rye Brook, NY*	**Colonial Williamsburg** *Williamsburg, VA*	**Walt Disney World Conference Ctr.** *Lake Buena Vista, FL*	**Dunfey Hyannis Resort and Conference Ctr.** *Hyannis, MA*	**Heritage Village Conference Ctr.*** *Southbury, CT*
Sleeping rooms	276	744	380	244	121
Capacity	456	800	760	448	225
Meeting rooms	31	28	9	19	20
Rate/person/day (double occupancy)	$158[1]	$38–$98[2]	$95–$140[2]	$35–$114[2]	$125[1]
Nearest major airport	Westchester County	Patrick Henry Int'l, Newport News, VA	Orlando International	Logan Int'l, Boston	Bradley Int'l, Windsor Locks, CT
Driving time from center to airport	5 min.	20 min.	30 min.	2 hours	45 min.
Recreation	9-hole golf course, 2 swimming pools (indoor and outdoor), 4 tennis courts, health club, sauna, game room, croquet, racquetball and squash facilities, par jogging, access to horseback riding	9- and 18-hole golf courses, 4 swimming pools (outdoor), 8 tennis courts, tours of historic Williamsburg	18-hole golf course, 3 swimming pools (outdoor), 3 tennis courts, game room, water sports, access to 2 18-hole golf courses, health club, and horseback riding	18-hole par 3 golf course, 2 putting greens, 2 swimming pools (indoor and outdoor), 2 tennis courts, health clubs (men's and women's), sauna, jacuzzi, enclosed game room, sightseeing tours, access to horseback riding	9- and 18-hole golf courses, heated swimming pool (outdoor), 2 tennis courts, health club, sauna, whirlpool, jacuzzi, game room with billiards, access to skiing and horseback riding

*A Harrison Conference Center. [1]Full American plan. [2]European plan.

Source: Sales & Marketing Management survey.

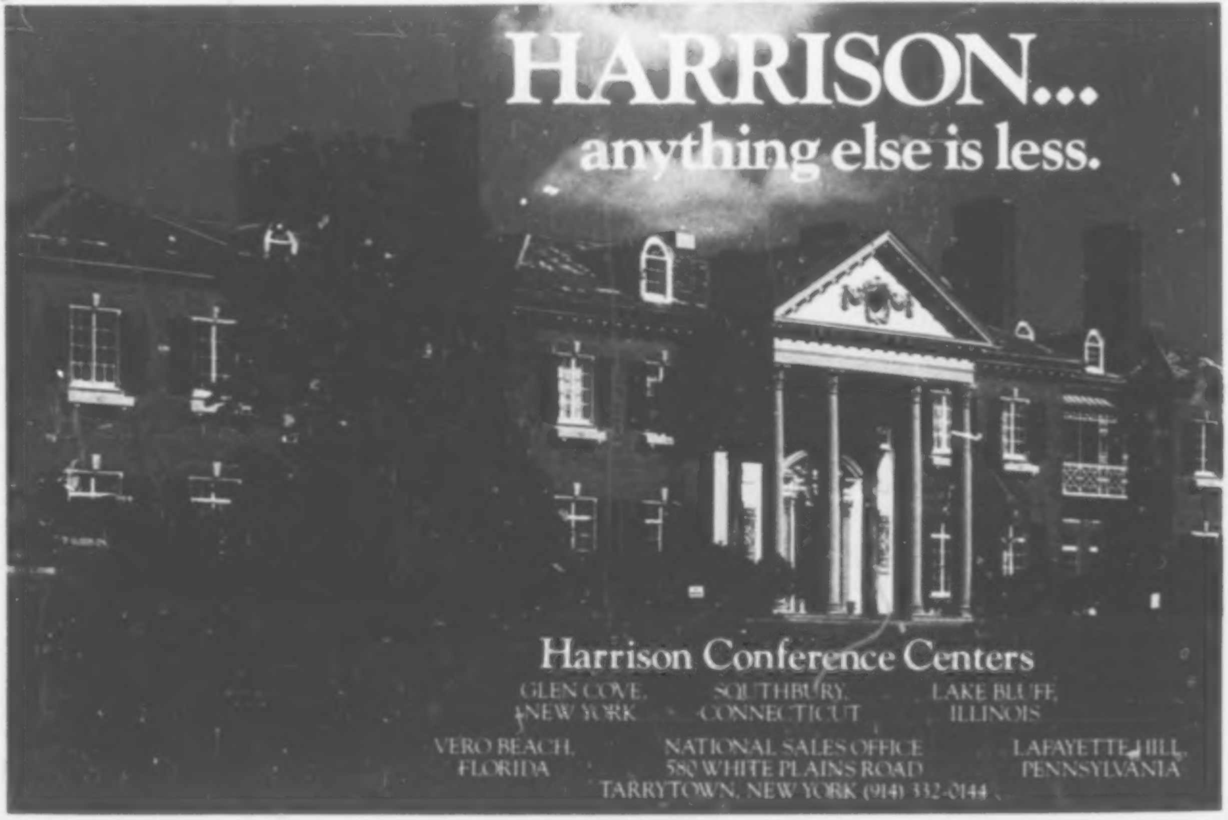


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TABLE IV-5

Conference centers: Learning away from it all *(continued)*

Facilities & Rates	**Holiday Inn Executive Conference Ctr.** *Memphis, TN*	**The Houstonian Hotel & Club** *Houston, TX*	**Scottsdale Conference Ctr. & Resort Hotel** *Scottsdale, AZ*	**Sheraton Inn & Conf. Ctr.** *Boxborough, MA*	**Southern Conference Ctr. at Colony Square Hotel** *Atlanta, GA*	**Woodlands Inn & Country Club** *Woodlands, TX*
Sleeping rooms	177	300	261	143	504	268
Capacity	250	600	500	286	1,008	450
Meeting rooms	16	26	50	14	29	20
Rate/person/day (double occupancy)	\$79[1]	\$113–\$133[2]	\$65–\$130[1]	\$37[2]	\$70–\$80[2]	\$108[1]
Nearest major airport	Memphis International	Houston Intercontinental	Phoenix	Logan Int'l, Boston	Hartsfield International	Houston Intercontinental
Driving time from center to airport	25 min.	30 min.	25 min.	50 min.	20 min.	20 min.
Recreation	18-hole golf course, swimming pool (outdoor), 2 tennis courts, health club, sauna, game room, basketball, fishing, bicycling, hiking and jogging paths/trails	Access to 3 18-hole golf courses, 2 heated swimming pools (outdoor), 5 tennis courts, health club, sauna, racquetball courts, indoor and outdoor, running tracks, basketball courts	2 18-hole golf courses, 2 heated swimming pools (outdoor), 8 tennis courts, health clubs (men's and women's), water volleyball, desert jeep tours, bicycle rental, access to horseback riding and sailing	2 swimming pool (indoor and outdoor), 2 tennis courts, exercise room, sauna, downhill and cross-country skiing, ice-skating pond, jogging trails	Swimming pools (outdoor), access to 10 tennis courts, health club, sauna, horseback riding	3 PGA golf courses, 2 swimming pools (outdoor), 24 tennis courts (outdoor), 7 tennis courts (indoor), equestrian center, health club, ice rink (indoor), acquatic center, game room

[1] Full American plan. [2] European plan.

Source: Sales & Marketing Management survey.

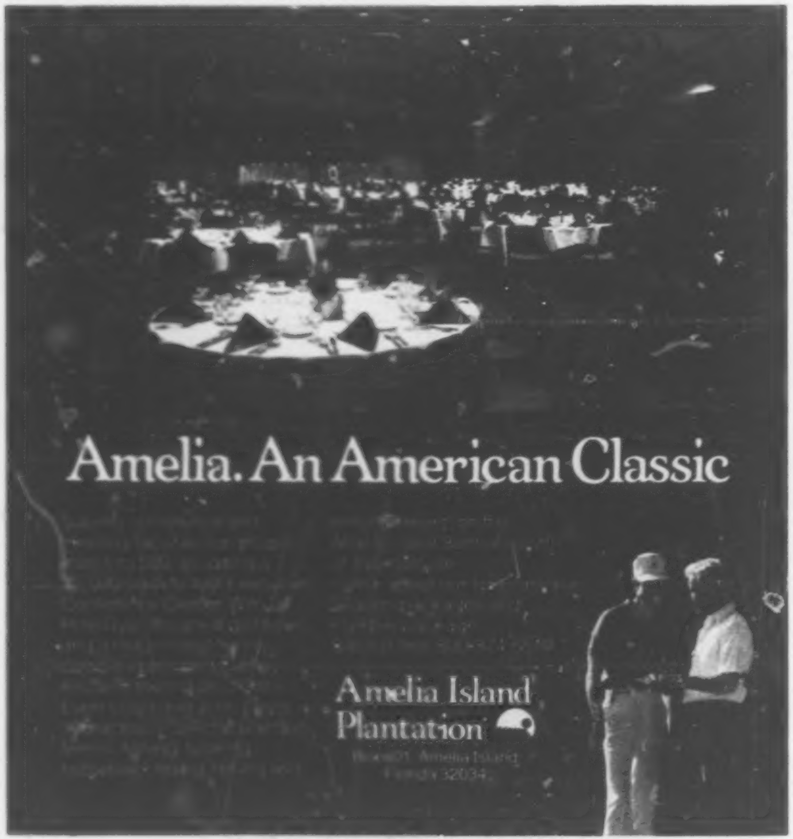

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TABLE IV-6

Selected resort hotels: Combining learning with luxury

(continued on next page)

Facilities & Rates	**Amelia Island Plantation** *Amelia Island, FL*	**Boca Raton Hotel & Club** *Boca Raton, FL*	**The Broadmoor Hotel** *Colorado Springs, CO*	**Callaway Gardens Inn** *Pine Mountain, GA*	**The Don CeSar Beach Resort** *St. Petersburg, FL*
Sleeping rooms	597	910	550	560	270
Meeting rooms	18	28	30	25	9
Average group lodging rates	IN SEASON 3/13–5/26 Single: $110–$200 Double: $110–$200	IN SEASON 1/1–4/30 Single: $140–$195 Double: $165–$275	IN SEASON 5/1–6/30; 9/1–10/31 Single: $105–$145 Double: $110–$150	IN SEASON 3/13–11/26 Single: $59.00–$94.50 Double: $59.00–$94.50	IN SEASON 1/11–4/30 Single: $90 Double: $90 5/1–5/31 Single: $72 Double: $72
	OFF SEASON 5/27–3/12 Single: $81–$175 Double: $81–$175	SHOULDER SEASON 5/1–5/31 Single: $95–$205 Double: $120–$230 10/1–12/31 Single: $105–$210 Double: $130–$235	7/1–8/31 Single: $115–$155 Double: $115–$155 OFF SEASON 12/1–3/31 Single: $55–$85 Double: $60–$90	SHOULDER SEASON 2/13–3/12 Single: $59–$70 Double: $59–$70 OFF SEASON 11/27–2/12 Single: $45 Double: $45	SHOULDER SEASON 9/12–12/25 Single: $65 Double: $65 OFF SEASON 6/1–9/11 Single: $49–$55 Double: $49–$55
		OFF SEASON 6/1–9/30 Single: $65–$125 Double: $70–$145	11/1–11/30; 4/1–4/30 Single: $70–$100 Double: $75–$105		
Approximate group meal costs (tax and tip included)	B $ 7.85 L $ 8.45 D $20.55	Breakfast and dinner included in rates. Lunch: $12.95–$22.50 No meals served to nonguests.	B $ 8.55 L $12.20 D $21.95	B $ 8.35 L $ 8.35 D $15.45	B $ 6.55–$ 1.80 L $ 8.60–$17.10 D $15.20–$59.40
Recreation:					
Golf	3 9-hole courses	4 18-hole courses	3 18-hole courses	3 18-hole courses; 1 9-hole course	3 18-hole courses nearby
Swimming	16 pools; beach	3 pools; beach	3 pools	1 pool; beach	1 pool; beach
Tennis	19 courts	49 courts	16 courts	18 courts	2 courts
Horseback riding	Yes	No	Nearby	Yes	Nearby
Health club	Yes	Yes	No	Yes	Yes
Sauna	Yes	Yes	No	Yes	Yes
Meal plan	European, Modified or Full American	Modified American	European, Modified or Full American	European, Modified or Full American	European
Nearest Airport	Jacksonville	Fort Lauderdale or West Palm Beach	Colorado Springs Municipal	Atlanta International	Tampa International
Distance/time from airport	29 mi. 35 min.	22 mi. from either 30 min.	10 mi. 15 min.	60 mi. 70 min.	29 mi. 40 min.

Source: Sales & Marketing Management survey.

TABLE IV-6

Selected resort hotels: Combining learning with luxury *(continued)*

Facilities & Rates	**Doral Country Club of Miami** *Miami, FL*	**The Greenbrier** *White Sulphur Springs, WV*	**Grenelefe Golf & Tennis Resort** *Cypress Gardens, FL*	**Harbor Island Sheraton** *San Diego, CA*	**Hilton Hawaiian Village** *Honolulu, HI*
Sleeping rooms	655	700	865	1,110	2,612
Meeting rooms	35	28	28	42[1]	25
Average group lodging rates	IN SEASON 1/1–3/31 Single: $130 Double: $130 4/1–4/30 Single: $115 Double: $115 11/1–12/20 Single: $98 Double: $98 SHOULDER SEASON 5/1–5/31 Single: $92 Double: $92 10/1–10/31 Single: $88 Double: $88 OFF SEASON 6/1–9/30 Single: $58 Double: $62	IN SEASON 3/31–11/1 Single: $118–$226 Double: $94–$123/ per person OFF SEASON 11/2–2/28 Single: $75–$140 Double: $75–$98/ per person 3/1–3/30 Single: $85–$145 Double: $85–$103/ per person	IN SEASON 1/15–4/30 Single: $105–$240 Double: $105–$240 SHOULDER SEASON 5/1–6/15; 9/15–1/14 Single: $65–$160 Double: $65–$160 OFF SEASON 6/16–9/14 Single: $47.50–$110.00 Double: $47.50–$110.00	IN SEASON 1/1–3/31 Single: $82 Double: $82 4/1–6/30 Single: $81 Double: $81 7/1–9/15 Single: $83 Double: $83 9/16–11/15 Single: $85 Double: $85 OFF SEASON 11/16–12/31 Single: $75 Double: $75	YEAR–ROUND Single: $54–$94 Double: $60–$100
Approximate group meal costs (tax and tip included)	B $11.00 L $14.05 D $27.45	Breakfast and dinner included in rates Lunch: $9.00	B $ 7.25 L $ 8.45 D $21.75	B $ 9.70 L $13.30 D $19.35	B $ 9.25 L $ 9.75 D $23.50
Recreation:					
Golf	4 18-hole courses; 1 9-hole course	3 18-hole courses	3 18-hole courses	Putting green; access to 63 18-hole courses	No
Swimming	1 pool; beach	2 pools (1 indoor)	4 pools; beach	3 pools; beach	3 pools; beach
Tennis	19 courts	20 courts (5 indoor)	13 courts	4 courts	No
Horseback riding	No	Yes	No	Nearby	No
Health club	Yes	Yes	Yes	Yes	No
Sauna	Yes	Yes	Yes	Yes	No
Meal plan	European, Modified or Full American	Modified American	European, Modified or Full American	European	European, Modified or Full American
Nearest airport	Miami International	Greenbrier Valley Lewisburg, WV	Orlando	San Diego	Honolulu
Distance/time from airport	6 mi. 12 min.	12 mi. 15 min.	44 mi. 45 min.	1 mi. 5 min.	8 mi. 15 min.

[1] Two less than in *1982 Survey* due to conversion of rooms into a computer facility.

Source: Sales & Marketing Management survey.

TABLE IV-6
Selected resort hotels: Combining learning with luxury *(continued)*

Facilities & Rates	**Inn at Indigo** *Daytona Beach, FL*	**Inter Continental Maui Hotel** *Maui, HI*	**Keystone Resort** *Keystone, CO*	**Mauna Lani Bay Hotel** *Honolulu, HI*	**Olympia Resort & Spa** *Oconomowoc, WI*
Sleeping rooms	150	600	852	351	435
Meeting rooms	8	10	15	7	28
Average group lodging rates	IN SEASON 1/1–4/30 Single: $50 Double: $55 SHOULDER SEASON 9/1–12/31 Single: $45 Double: $55 OFF SEASON 5/1–8/31 Single: $40 Double: $50	IN SEASON 12/23–3/31 Single: $90 Double: $90 OFF SEASON 4/1–12/22 Single: $55–$65 Double: $55–$65	IN SEASON 2/1–4/13 Single $95 Double: $98 6/3–10/13 Single: $75 Double: $78 OFF SEASON 1/1–1/31; 4/14–6/2 Single: $57–$83 Double: $60–$86 10/14–12/31 Single: $57 Double: $60	YEAR-ROUND 1/1–12/31 Single: $170 Double: $170	IN SEASON 6/1–9/30 Single: $72 Double: $76 SHOULDER SEASON 5/1–5/31; 10/1–10/31 Single: $56 Double: $60 OFF SEASON 1/1–4/30; 11/1–12/31 Single: $46 Double: $50
Approximate group meal costs (tax and tip included)	B $ 6.05 L $ 9.70 D $18.15	B $10.70 L $10.70 D $30.95	B $ 4.80–$ 7.80 L $ 9.60–$15.60 D $15.60–$26.40	B $10.70 L $11.90 D $23.80	B $ 7.15 L $ 9.60 D $17.40
Recreation:					
Golf	1 18-hole course 1 9-hole course	2 18-hole courses	1 18-hole course	1 18-hole course	1 18-hole course
Swimming	1 pool	3 pools; 5 beaches	6 pools (3 indoor)	1 pool; beach	2 pools (1 indoor)
Tennis	8 courts	14 courts	12 courts (2 indoor)	10 courts	11 courts (4 indoor); 4 racquetball courts
Horseback riding	No	No	Yes	No	Yes
Health club	Yes	No	No	No	Yes
Sauna	Yes	No	Yes	Yes	Yes
Meal plan	European	European, Modified or Full American	European	European, Modified or Full American	European, Modified or Full American
Nearest airport	Daytona International	Kahului	Denver	Keahole, Kona	Milwaukee
Distance/time from airport	3 mi. 5 min.	15 mi. 25 min.	75 mi. 90 min.	23 mi. 30 min.	36 mi. 40 min.

Source: Sales & Marketing Management survey.

WHEN THE MEETING MUST BE PERFECT, COUNT ON THE BROWN PALACE.

You'll like the way Denver's Grand Luxury hotel helps you do business. With 11 distinctive banquet and meeting rooms to serve from five to 750 attendees. Four hundred eighty elegantly appointed guest rooms. A staff of over 650 well-trained professionals to back you up. And a location in the heart of Denver's financial/business/shopping district, just six miles from the airport.

So why take chances when you could be taking the credit? To schedule the perfect meeting, contact Mr. Jim Clark, Director of Sales.

The Brown Palace Hotel
17th & Tremont Place
Denver, Colorado 80202
(303) 825-3111

Member: Preferred Hotels Worldwide/All major credit cards accepted

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TABLE IV-6

Selected resort hotels: Combining learning with luxury *(continued)*

Facilities & Rates	**Opryland Hotel** *Nashville, TN*	**Pheasant Run** *St. Charles, IL*	**Pocono Hershey Resort** *White Haven, PA*
Sleeping rooms	614[2]	550	181[3]
Meeting rooms	26[2]	38	15
Average group lodging rates	IN SEASON 4/1–5/31; 8/16–10/31 Single: $68 Double: $68 6/1–8/15 Single: $74 Double: $74 OFF SEASON 3/1–3/31; 11/1–11/15 Single: $64 Double: $64 1/1–2/28; 11/16–12/31 Single: $60 Double: $60	IN SEASON 4/15–11/15 Single: $56 Double: $66 OFF SEASON 11/16–4/14 Single: $46 Double: $56	IN SEASON 5/1–10/31 Single: $96 Double: $73 per person OFF SEASON 11/1–4/30 Single: $73 Double: $53 per person
Approximate group meal costs (tax and tip included)	B $ 7.30 L $12.20 D $24.35	B $ 6.60 L $ 8.40 D $15.65	Meals included in rates
Recreation:			
Golf	1 18-hole course	1 18-hole course	1 18-hole course
Swimming	1 pool	2 pools (1 indoor)	2 pools (1 indoor)
Tennis	6 courts	13 courts (4 indoor)	4 courts
Horseback riding	Yes	Nearby	Yes
Health club	No	Yes	No
Sauna	No	Yes	Yes
Meal plan	European	European, Modified or Full American	Full American
Nearest airport	Nashville	O'Hare International	Scranton–Wilkes Barre International
Distance/time from airport	7 mi. 15 min.	35 mi. 60 min.	20 mi. 30 min.

---

[2] One less sleeping room and two less meetings rooms than in *1982 Survey* due to remodelling.
[3] Six guest rooms added since *1982 Survey*.

Rancho Bernardo Inn *San Diego, CA*	**Sea Pines Plantation** *Hilton Head Island, SC*	**Sheraton-Waikiki Hotel** *Honolulu, HI*	**Stouffer's Pine Isle Resort** *Buford, GA*	**Tamiment Resort & Country Club*** *Tamiment, PA*
236[4] 14[4]	900 16	1,900 20	250[5] 23	500 35
IN SEASON 1/1–4/15 Single: $105 Double: $105 4/16–6/30; 9/16–12/31 Single: $85 Double: $85 OFF SEASON 7/1–9/15 Single: $75 Double: $75	IN SEASON 3/20–3/31 Single: $80 Double: $80 4/1–10/31 Single: $99 Double: $99 SHOULDER SEASON 3/1–3/19; 11/1–11/30 Single: $65 Double: $65 OFF SEASON 12/1–2/28 Single: $52 Double: $52	YEAR-ROUND 1/1–12/20 Single: $72–$115 Double: $72–$115	IN SEASON 2/17–11/26 Single: $122 Double: $74.50 per person OFF SEASON 11/27–2/26 Single: $79 Double: $52 per person	IN SEASON 4/1–10/31 Single: $60–$100 Double: $45–$75 per person OFF SEASON 11/1–3/31 Single: $46–$56 Double: $41–$51/ per person
B $ 9.85 L $10.45 D $21.50	B $ 7.30 L $ 9.75 D $19.50	B $10.15 L $10.15 D $22.25	Breakfast and dinner included in rates. Lunch: $6.60–$10.25	Breakfast and dinner included in rates Lunch: $15
1 27-hole course; 1 18-hole course 2 pools 12 courts	3 18-hole courses 5 pools (1 indoor); beach 75 courts	Access to 1 18-hole course 2 pools; beach Access to 4 courts	1 18-hole course 2 pools (1 indoor); beach 7 courts (3 indoor)	1 18-hole course 2 pools (1 indoor) 14 courts (4 indoor)
Yes	Yes	Nearby	Yes	Yes
No Yes	No No	No No[6]	Yes Yes	Yes Yes
European, Modified or Full American	European, Modified or Full American	European, Modified or Full American	European, Modified or Full American	Modified American
San Diego International	Savannah	Honolulu International	Atlanta	Allentown A-B-E
25 mi. 30 min.	50 mi. 60 min.	8 mi. 20 min.	56 mi. 65 min.	50 mi. 55 min.

---

*A Wayne Newton International Resort

[4] Four guest rooms and one meeting room added since *1982 Survey*.

[5] Six fewer sleeping rooms than reported in *1982 Survey*.

[6] Does not have sauna as reported in *1982 Survey*.

Source: Sales & Marketing Management survey.

TABLE IV-7 ***Selected airport hotels***

Facilities & Rates	**Atlanta** *Marriott Hotel*	**Baltimore** *International Hotel*	**Boston** *Logan Airport Hilton*	**Chicago** *O'Hare Hilton*	**Cleveland** *Marriott Inn–Airport*	**Miami** *Sheraton River House*	**Philadelphia** *Marriott Hotel/ Airport*	**San Francisco** *Airport Hilton*
Sleeping rooms	653	199	559	886	379	410	331[4]	540
Meeting rooms	21	11	22	53	15	16	15[4]	30
Average group lodging rates	Single: $65 Double: $75	Single: $70–$94 Double: $80–$109	Single: $78 Double: $93	Single: $74 Double: $86	Single: $57 Double: $64	Single: $65 Double: $73	Single: $70–$80 Double: $89–$90	Single: $78–$94 Double: $88–$104
Approximate group meal rates	B $ 6.60 L $ 9.90 D $15.00	B $ 7.55 L $10.85 D $19.30	B $ 7.70 L $16.35 D $21.95	B $ 9.85 L $14.15 D $20.30	B $ 6.30 L $ 8.75 D $15.05	B $ 6.10 L $ 9.75 D $18.30	B $ 8.45 L $12.10 D $20.55	B $ 8.75 L $14.50 D $20.50
Distance from airport	¼ mi.	At airport	At airport	At airport	2½ mi.	¼ mi.	¼ mi.	At airport

[1] Not 1,450 as reported in *1982 Survey*.
[2] Not 400 as reported in *1982 Survey*.
[3] Not one mile as reported in *1982 Survey*.

Relax, book the conference center that's actually a conference center.

Meet all your meeting needs at the Holiday Inn Executive Conference Center.

Location
The Holiday Inn Executive Center in Olive Branch, Mississippi is only 20 minutes from Memphis. We're centrally located in the U.S.A., so you can get away from it all to read, write, study and learn and get back to it all in a moment's notice.

Facilities
We have 16 meeting rooms, a distinguished elegant boardroom, and a 250-seat amphitheater. Each room is sound proofed, equipped with 16mm, 35mm and overhead projectors, VTR facilities, microphone, podium, slide trays, and well-thought-out seating arrangements. All 177 guest rooms (including seven suites) have HBO entertainment.

Service
Everything we do is to make your meeting go right. Meals are delicious and served bountiful buffet style, and coffee breaks are special. And you can count on every request being handled by your own service coordinator.

Recreation
We've also got the facilities for you to relax; everything from golf to tennis, swimming to bicycling, plus an exercise room and sauna.

Environment
Set among towering woods and comfortable accommodations, we're exactly the relaxing atmosphere you need. The only other guests are business people like yourself.

Value
We make the *value meeting* so easy. And your one-package price includes everything. For more information on your meeting, just call collect at 601-895-2941 and ask for our Sales Department. Or write for our Executive Conference Kit.

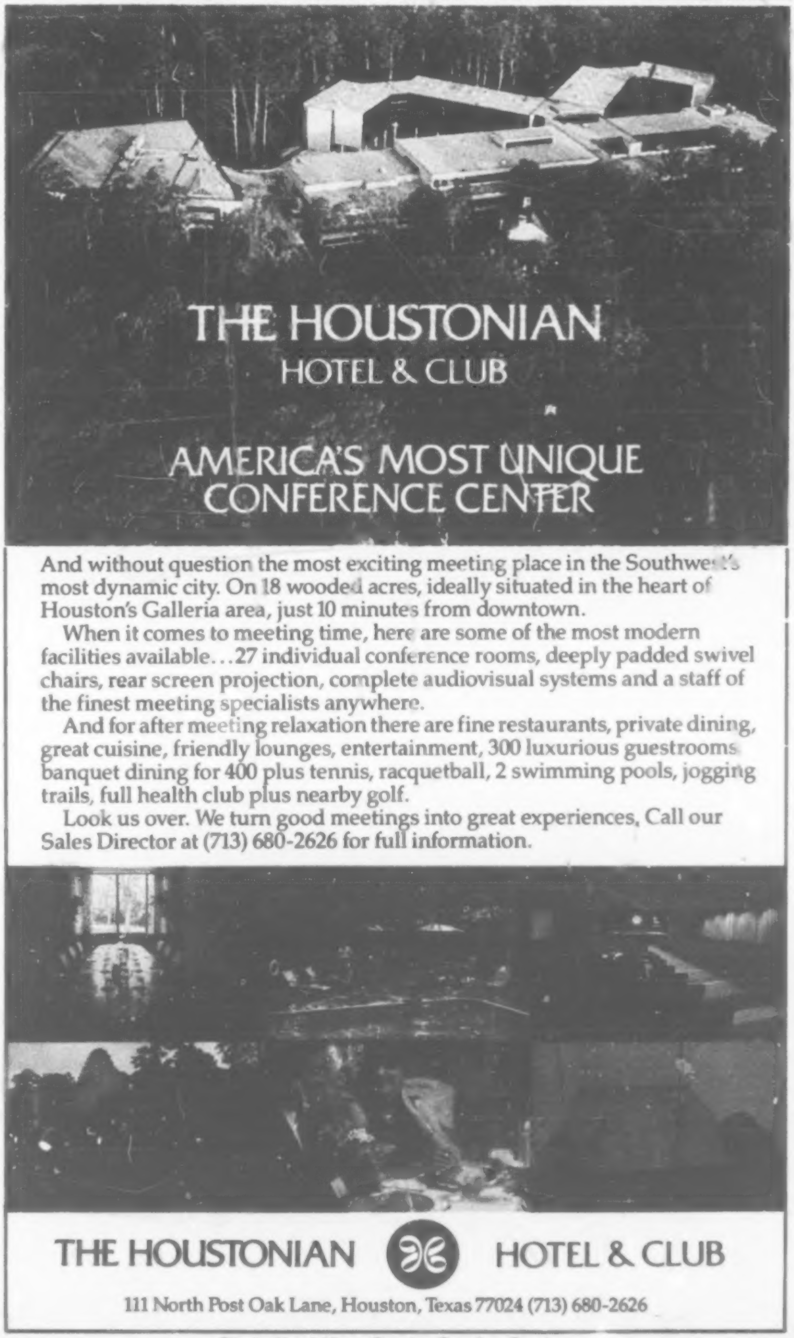
Holiday Inn®
Executive Conference Center
11200 E. Goodman Road
Olive Branch, Mississippi 38654
20 minutes from Memphis

Circle No. 142 on Reader Service Card

Dallas–Fort Worth *Amfac Hotel & Resort*	**Denver** *Stouffer's Denver Inn*	**Detroit** *Host International*	**Houston** *Host International*	**Kansas City** *Hilton Airport Plaza Inn*	**Los Angeles** *Sheraton Plaza La Reina*	**Memphis** *Memphis Airport Hotel*
1,400[1] 67	588 24	163 10	570 26	349[2] 40	810 96	386 16
Single: $78 Double: $93	Single: $50–$70 Double: $55–$75	Single: $59 Double: $64	Single: $60 Double: $72	Single: $54–$66 Double: $66–$78	Single: $80–$84 Double: $90–$94	Single: $44 Double: $56
B $ 6.90 L $12.00 D $19.80	B $ 8.00 L $10.50 D $14.80	B $ 6.55 L $ 8.90 D $17.85	B $ 7.35 L $12.20 D $18.30	B $ 6.50 L $ 9.55 D $16.15	B $ 9.10 L $13.70 D $26.60	B $ 7.85 L $10.25 D $15.75
At airport	¼ mi.	At airport	At airport	At airport	¼ mi.[3]	1 mi.

New Orleans *Airport Hilton Inn*	**New York** *International Travelodge*	**Phoenix** *Sheraton Airport Inn*	**St. Louis** *Airport Marriott*	**Tampa** *Marriott Hotel/Airport*	**Washington, DC** *Dulles Marriott Hotel*
284 12	520 11	179 6	604 41[5]	300 15	206 12
Single: $45–$70 Double: $60–$85	Single: $67 Double: $79	Single: $40–$45 Double: $47–$52	Single: $49–$70 Double: $59–$80	Single: $60–$70 Double: $70–$80	Single: $64–$74 Double: $74–$84
B $ 8.00 L $13.30 D $18.65	B $ 6.60 L $10.65 D $15.05	B $4.50 L $6.00 D $9.00	B $ 6.65 L $10.25 D $20.50	B $ 6.60 L $10.20 D $16.20	B $ 6.00 L $ 9.60 D $16.80
Across the street	At airport	At airport	Across the street	At airport	At airport

[4] Formerly the Sheraton Airport Inn. Remodelling has changed the balance of guest and meeting rooms.
[5] Two fewer meeting rooms due to conversion.
Source: Sales & Marketing Management Survey.


THE HOUSTONIAN
HOTEL & CLUB

AMERICA'S MOST UNIQUE
CONFERENCE CENTER

And without question the most exciting meeting place in the Southwest's most dynamic city. On 18 wooded acres, ideally situated in the heart of Houston's Galleria area, just 10 minutes from downtown.

When it comes to meeting time, here are some of the most modern facilities available…27 individual conference rooms, deeply padded swivel chairs, rear screen projection, complete audiovisual systems and a staff of the finest meeting specialists anywhere.

And for after meeting relaxation there are fine restaurants, private dining, great cuisine, friendly lounges, entertainment, 300 luxurious guestrooms, banquet dining for 400 plus tennis, racquetball, 2 swimming pools, jogging trails, full health club plus nearby golf.

Look us over. We turn good meetings into great experiences. Call our Sales Director at (713) 680-2626 for full information.

THE HOUSTONIAN HOTEL & CLUB

111 North Post Oak Lane, Houston, Texas 77024 (713) 680-2626

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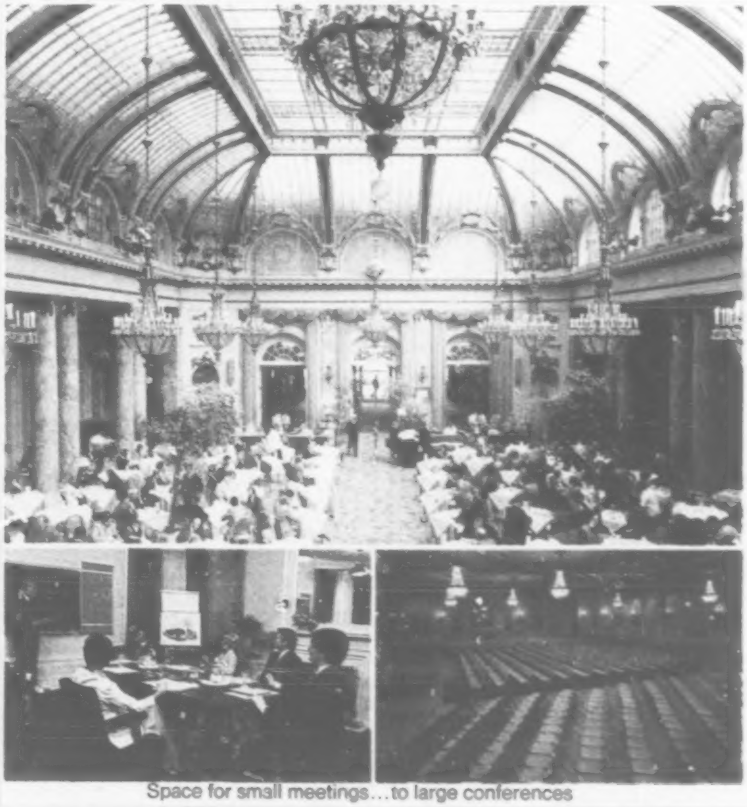
TABLE IV-8

Selected budget motel chains

(continued on next page)

Facilities & Rates	**Aberdeen, SD** *Super Eight Motels*	**Atlanta, GA** *Days Inns*	**Columbus, OH** *Red Roof Inns*	**Hacienda Heights, CA** *California 6*
Inns in use	143	322	88	54
Total rooms	9,000	45,530	9,500	5,400
Inns being built	12	7	9	2
Inns planned	15–20	13	15	3
Rates:				
Single room	$20.88	$26.88	$21.95–$23.95	$18.90
Double room	$24.88	$30.88	$24.95–$26.95	$18.90
3–4 persons	$26.88–$28.88	$32.88	$28.95–$29.95	$24.40
Facilities & services (available at most units)	Color TV, restaurant	Color TV, pool, gift shop, restaurant, gas service island	Color TV	Color TV, pools at some locations
Reservations	Toll-free number	Toll-free number	Toll-free number	Motel will call ahead

Source: Sales & Marketing Management survey.



Space for small meetings…to large conferences

More Than An Exciting Incentive.

The Sheraton-Palace lets your top people experience the legend that is San Francisco. So when you offer a travel incentive to the City by the Golden Gate, give them the gold-domed Garden Court, the legendary Pied Piper room, Lotta's famous coffee house, gracious rooms, intimate hideaways and a tradition of service that is legendary in San Francisco. Whether you're offering an incentive to ten or hundreds let the Palace make your award a legend. And, surprise: we can do it within your budget. When planning a San Francisco incentive, write or call our Director of Sales, Sheraton-Palace Hotel, 639 Market Street, San Francisco, CA 94105. 415/392-8600.

Sheraton-Palace Hotel

639 Market Street, San Francisco, CA 94105
415/392-8600

TABLE IV-8

Selected budget motel chains *(continued)*

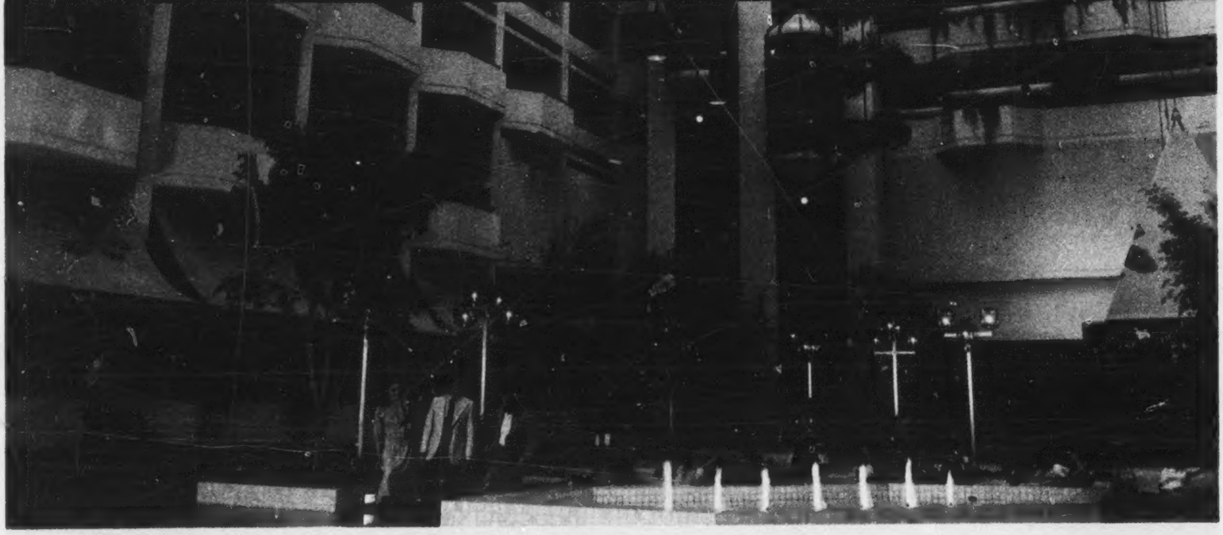
Facilities & Rates	Los Angeles, CA *Motel 6*	Mount Vernon, IL *Affordable Inns*	Nashua, NH *Suisse Chalet Motor Lodge*	Norfolk, VA *Econo-Travel Motor Hotels/ Econo Lodges*	San Antonio, TX *La Quinta Motor Inns*
Inns in use	344	54	31	166	122
Total rooms	37,684	5,271	3,176	11,251	14,911
Inns being built	5	1	1	18	13
Inns planned	25	1–3	3	22[1]	15–20
Rates					
Single room	$15.95	$18.88	$21.70–$24.70[2]	$20.00	$28.00–$30.00
Double room	$19.95	$23.88	$25.70–$28.70	$25.00	$33.00–$35.00
3–4 persons	$22.95	$28.88	$3.00/add'l adult	$30.00	$36.00–$38.00
Facilities & services (available at most units)	TV, pool, adjacent to family restaurants	Color TV, pool, complimentary coffee, nonsmoking rooms	Color TV, pool, laundry, valet, baby sitting, auto-emergency service, restaurant	Color TV, pool, lounge, restaurant	Color TV, AM-FM radio, pool, laundry, restaurant
Reservations	Toll-free number	Toll-free number	Toll-free number	Toll-free number	Toll-free number

[1] Includes conversion and licensing of existing properties.

[2] Rates may vary by location.

Source: Sales & Marketing Management survey.

One picture may say a thousand words, but it doesn't begin to describe Adam's Mark.



Although this photo of Fountain Plaza, our magnificent atrium, gives you a sense of both our style and our size, it can't tell you about our first rate meeting facilities. Or our 14,800 sq. ft. exhibition center. Or the variety of our two restaurants and three lounges. Or the recreational opportunities. Or our capable, courteous staff.

But perhaps our new brochure can give you a better idea of the efficiency and hospitality that is Adam's Mark. Write or call for it, right now.

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Owned and Operated
by Adam's Mark Hotels,
A Division of HBE Corporation.

adam's mark.
houston

Circle No. 146 on Reader Service Card

Sales support and incentives

TABLE	TITLE
V-1	Extra rewards for extra-high performers
V-2	Audiovisual equipment purchase costs
V-3	Audiovisual equipment rental costs
V-4	Expected 1983 advertising costs: Slower upbeat
V-5	Expected increases in 1983 trade show exhibition costs
V-6	Estimated advertising percentages in selected industries

A helpful subject-matter index to all statistical information appears on page 134.

TABLE V-1

Selected incentive destinations: Extra rewards for extra-high performers

(continued on next page)

Destination	Acapulco Mexico	Amsterdam Holland	Atlantic City NJ	Charleston SC	Dublin Ireland	Hong Kong Island Hong Kong
Air fare						
Low season	$318	$625	$249	$276	$648	$1,227
High season	$370	$740	Same	Same	$819	$1,337
Lodging						
Low season	$50–$55	$40–$45	$45–$50	$25–$30	$40–$45	$90–$105
High season	$70–$80	$50–$55	$50–$60	$45–$55	$48–$55	$100–$110
Meals						
Modified American Plan	$30	$30	$25	$26	$20	$65
Group Activity	$25 Mexican fiesta	$65 Holland night	$25–$35 Dinner shows	$28 Theme party	$30 Theme party	$27 Dinner/ night club package

Destination	Honolulu HI	Las Vegas NV	London England	Montreal Canada	Nassau Bahamas	Rio de Janeiro Brazil
Air fare						
Low season	$616	$270–$318	$699	$237	$351	$1,113
High season	Same	Same	$799	Same	$366	Same
Lodging						
Low season	$35–$40	$25–$30	$45–$55	$30–$35	$35–$45	$40–$45
High season	$40–$60	$35–$50	$55–$65	$35–$55	$50–$60	$45–$55
Meals						
Modified American Plan	$30	$30	$40	$30	$35	$25
Group Activity	$30 Luau	$40 Dinner show	$40 Dinner party	$35 Theme party	$25 Theme party	$20 Theme party

Source: Byfield Travel Consultants, Inc., Chicago, IL.

A touch of

Ireland

the best incentive

Come to Ireland, the ideal incentive destination.

Where the people welcome you with warm friendly smiles. In our cities filled with first class hotels, gourmet restaurants, fun-filled pubs and exciting theatre.

In our countryside dotted with magnificent golf courses, lakes and rivers teeming with fish.

Best of all the Irish pound costs only $1.30, 30% less than two years ago.

So get it together – your incentive travel program, sales meetings or group visit – then get in touch with your travel agent or the Irish Tourist Board.

IRISH TOURIST BOARD 590 FIFTH AVENUE, NEW YORK, N.Y. 10036 • 212-869-5500
Brian Stack, Group Travel Manager

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TABLE V-1

Selected incentive destinations: Extra rewards for extra-high performers *(continued)*

Destination	San Antonio TX	San Diego CA	San Juan PR	Scottsdale AZ	Tarpon Springs FL	Tokyo Japan
Air fare						
Low season	$278	$409	$357	$325	$194	$1,228
High season	Same	Same	Same	Same	Same	$1,304
Lodging						
Low season	$35–$45	$45–$55	$35–$40	$25–$40	$30–$40	$45–$65
High season	Same	$50–$60	$60–$70	$60–$70	$55–$65	Same
Meals						
Modified American Plan	$30	$32	$35	$30	$30	$35
Group Acitivity	$25 Western barbecue	$35 Barbecue	$25 Caribbean show (dinner not included)	$25 Mexican fiesta	$30–$35 Theme party	$50 Theatre/night club tour

Destination	Vail CO	Williamsburg VA
Air fare		
Low season	$293	$276
High season	Same	Same
Lodging		
Low season	$35–$45	$25–$30
High season	$40–$60	$30–$40
Meals		
Modified American Plan	$30	$30–$35
Group Activity	$20 Wine & cheese party	$25 Dinner party

DEFINITIONS: All rates shown are approximate **per person prices** based on a group package tour of 40 people for a minimum stay of four nights and five days. **Air fares are from Chicago** and are discounted APEX excursion fares commonly obtainable when departing on Thursday and returning no earlier than Sunday. Note that air fares to the Orient, South America, and Europe generally call for a minimum stay of seven days. **Lodging rates** are typical per person rates based on double occupancy. Hotel rates may vary considerably depending on accommodations. **Meals** are based on the typical add-on for Modified American Plan (breakfast and dinner). At those hotels not offering MAP, prices are based on approximate group meal rates for breakfast and dinner. **Group activity rates** are approximate and will vary depending on type of function. Generally, a theme activity includes a meal and drink indigenous to the particular region or function being held. Unless otherwise noted, taxes and gratuities are in addition to rates shown and will generally range from 20% to 25% for most meal programs. Lodging tax is extra also. Additional domestic locations for incentive travel are listed in Section IV, Tables IV-5 and IV-6.

Source: Byfield Travel Consultants, Inc., Chicago, IL.

Come To America's Most Complete Meeting Place For The Best Attendance And The Best Meeting

Meetings Succeed at Sea Pines

Having worked closely for over two decades with the finest meeting planners in America, we offer three distinct conference areas, three championship golf courses, 80 tennis courts, charter fishing, horseback riding, over 100 nearby restaurants and nightspots, and [illegible] miles of beach... perfect for everything from jogging to oyster roasts.

Sea Pines IS Hilton Head

Sea Pines is more diverse and exciting than any other resort. Meet at our oceanfront **Hilton Head Inn** and you won't get lost in a big hotel. Try our new **Sea Pines Conference Center** with the latest in executive conference rooms. Or convene at our famous **Harbour Town Conference Center** with deluxe private villa accommodations. No other Hilton Head resort gives you so much flexibility, so much to do, and so much value.

Bonus Dates at Bargain Rates

During certain "Bonus Dates," we offer "Bargain Rates" that will astound you. Get the full story today. **Call or write our Director of Sales, Sea Pines Plantation, Hilton Head Island, South Carolina 29928, (803) 785-3333.**

SEA PINES® PLANTATION

Sea Pines is represented by Krisam Group, New York, Chicago, Washington

Circle No. 124 on Reader Service Card

TABLE V-2

Audiovisual equipment purchase costs

Equipment	Purchase Price 1982	Purchase Price 1981	% Change 1981–82
Projectors			
Super 8mm sound movie	$489–$589	$479–$600	**N.C.**
16mm sound movie	1,234–1,328	1,015–1,265	**+12.4%**
35mm slide	195–492	197–472	**+ 2.7**
35mm slide with synchronized tape deck	595–899	595–735	**+12.3**
Rear-screen 35mm filmstrip with self-contained synchronized tape deck	380–600	380–600	**N.C.**
Opaque	690	670	**+ 3.0**
Overhead transparency	257–383	245–365	**+ 4.9**
Remote-control silent filmstrip	215	215	**N.C.**
Tape recorders			
Cassette	60–394	60–365	**+ 6.6**
Reel-to-reel	690	690	**N.C.**
Video equipment			
Recorders and players			
½" color cassette	995–1,995	1,100–1,600	**+10.7**
¾" color cassette	2,150–4,500	1,500–2,395	**+70.7**
Cameras—color	800–5,000	895–5,000	**− 1.6**
Receivers and monitors—color	450–1,560	400–1,560	**+ 2.6**

N.C.—No change.
Note: These are factory-suggested retail prices for typical audiovisual equipment, without optional extras, which can be purchased at corporate as well as at branch sales offices. Significant changes in the price ranges reflect manufacturer changes in product line.
Source: Sales & Marketing Management survey.

TABLE V-3

Audiovisual equipment rental costs

Equipment	Average Rental Rates Daily 1982	Daily 1981	Weekly 1982	Weekly 1981
Projectors				
Super 8mm sound movie	**$25**	$19	**$83**	$62
16mm sound movie	**27**	26	**88**	85
35mm slide	**21**	20	**70**	67
35mm slide with synchronized tape deck	**33**	33	**107**	105
Rear-screen 35mm filmstrip with self-contained synchronized tape	**31**	30	**103**	98
Opaque	**28**	27	**93**	87
Overhead transparency	**21**	21	**71**	70
Remote-control silent filmstrip	**22**	18	**75**	63
Tape recorders				
Cassette Stereo	**32**	27	**106**	90
Reel-to-reel Stereo	**30**	28	**108**	93
Video equipment				
Color recorders and players				
½" cassette	**58**	55	**192**	178
¾" cassette	**80**	80	**265**	265
Color player—¾" cassette	**65**	60	**215**	197
Large-screen receiver	**308**	317	**1,008**	1,003

Source: Sales & Marketing Management survey.

TABLE V-4

Expected 1983 advertising costs: Slower upbeat

Media	Index Of Unit Costs 1972 Base	1981	1982	1983	% Rise In Unit Costs 1981–82	1982–83
Network TV	100	263	292	321	11%	**10%**
Spot TV	100	244	271	290	11	**7**
Magazines	100	183	199	213	9	**7**
Newspapers	100	227	250	273	10	**9**
Radio	100	197	213	228	8	**7**
Composite	**100**	**228**	**252**	**272**	**11%**	**8%**

Source: Robert J. Coen, senior vice president, McCann-Erickson, Inc.

TABLE V-5

Expected increases in 1983 trade show exhibition costs

Component	Projected Increase In Costs
Space rental rates	**11.9%**
Personnel	
Projectionist	6.1
Janitor	6.1
Plumber	6.8
Electrician	8.7
Carpenter	7.2
Equipment	
Audiovisual	7.2
Furniture	9.0
Services	
Photographer	9.1
Florist	6.3
Other	
Design & detailing	6.9
Shop construction materials	7.7
Shop construction labor	7.7
Freight	7.4
Drayage	9.5

Source: National Trade Show Exhibitors Assn.

Moving?

Don't Forget A Label When You Write!

To ensure fast service, please include your most recent mailing label, and give new address information in the space provided below. (Please allow eight weeks for the change to take effect.)

ATTACH LABEL HERE

Name

Title

Firm

City State Zip

Mail to Subscription Service Dept.
Sales & Marketing Management
67 Atlantic Ave., Manasquan, NJ 08736

TABLE V-6

Estimated advertising percentages in selected industries

Industry Sector	*Advertising & Promotion Budget As % Of Net Sales 1981*	*Change In Pct. Points Of Advertising & Promotion 1980–81*
FOOD PRODUCTS		
Food & kindred products	3.5%	+0.2
Meat products	2.1	−0.4
Dairy products	3.0	+0.2
Canned foods	4.2	−0.2
Flour & other grain mill products	1.4	+0.3
Bakery products	1.6	−0.1
Malt beverages	6.9	+0.4
TOBACCO PRODUCTS		
Cigarettes	6.4	+0.1
Cigars	2.1	−0.1
TEXTILE MILL PRODUCTS		
Textile products	1.2	N.C.
Floor covering mills	0.6	−0.1
APPAREL PRODUCTS		
Apparel & finished products	2.7	+0.1
FURNITURE & FIXTURES		
Household furniture	1.9	N.C.
Office furniture	0.9	−0.1
PAPER		
Paper products	1.4	+0.2
PRINTING & PUBLISHING		
Publishing	0.6	+0.2
Newspapers	1.6	N.C.
Periodicals	4.5	−0.2
Books	4.7	+0.1
CHEMICALS & ALLIED PRODUCTS		
Chemicals	1.3	N.C.
Industrial inorganic chemicals	4.4	+3.2
Plastics materials & synthetic resins	0.9	−0.2
Ethical drugs	8.2	+0.4
Soap & other detergents	7.1	+0.6
Paints, varnishes, & lacquers	3.0	+1.1
PETROLEUM & COAL PRODUCTS		
Petroleum refining	0.2	N.C.
Paving & roofing materials	1.4	+0.3
RUBBER & MISC. PLASTICS PRODUCTS		
Rubber products	0.9	−0.3
Misc. plastic products	3.2	+0.5
Footwear, except rubber	3.0	+0.6
STONE, CLAY, & GLASS PRODUCTS		
Glass containers	1.7	+0.5
Pottery & china	0.7	+0.1
FOUNDRIES		
Blast furnaces	1.3	+0.5
FABRICATED METALS		
Heating equipment & plumbing fixtures	2.0	+0.2
MACHINERY & EQUIPMENT		
Farm & garden machinery & equipment	1.2	N.C.
Metalworking equipment	4.0	+0.1
Office computing & accounting machines	0.4	−0.1
Refrigeration & service industry equipment	1.2	N.C.
ELECTRIC & ELECTRONIC EQUIPMENT		
Household appliances	2.3%	−0.2
Radio, TV sets, & home entertainment	2.7	−0.7
TRANSPORTATION EQUIPMENT		
Automotive vehicles	1.5	−0.2
Travel trailers & campers	0.4	−0.8
INSTRUMENTS & RELATED PRODUCTS		
Optical instruments & lenses	4.6	+1.0
Medical instruments & appliances	3.6	+0.5
Photographic	2.7	−0.5
Watches & clocks	2.5	−0.1
MISC. MANUFACTURING INDUSTRIES		
Jewelry & silverware	5.1	+0.7
Musical instruments	2.0	−0.3
Toys, games, & sporting goods	6.9	+0.6
Pens & other writing instruments	4.2	+0.6
COMMUNICATIONS		
Radio-TV broadcasters	3.5	N.C.
CATV companies	1.2	+0.2
WHOLESALING		
Autos & parts	1.7	+0.4
Sporting & recreational goods	1.5	−4.2
Drugs	0.0[1]	−1.1
Food	1.3	+1.0
RETAILING		
Lumber	2.6	+0.6
Department stores	3.0	+0.1
Variety stores	2.2	−0.1
Grocery store chains	1.1	N.C
Automotive dealers & suppliers	0.5	N.C.
Apparel	3.3	+1.5
Women's ready-to-wear	2.7	−0.1
Shoes	1.5	−0.7
Furniture	6.6	−1.2
Household appliances	5.0	+0.3
Restaurants & fast-food chains	3.1	+0.2
Mail-order houses	6.1	+0.2
MISC. SERVICE INDUSTRIES		
Hotels & motels	2.6	+0.5
Personal & family services	6.3	+2.0
Motion pictures	6.4	−4.3
Educational services	4.8	+0.7

[1] Less than one-tenth of 1%.

N.C.—No change.

Source: Schonfeld & Associates.

Note: The accompanying table is based on the sixth annual study of advertising and promotion expenditures of major U.S. corporations by Schonfeld & Associates, a Chicago consulting company. The study contains average 1981 industry ratios commonly used for ad budgeting in more than 4,000 companies in 223 industry sectors. The raw data were compiled from 10-K reports filed with the Securities and Exchange Commission by publicly owned companies. Consequently, cautious interpretation is required because (1) companies may vary in what they include under advertising and promotion expenditures; (2) many large companies that operate in several fields are listed in only their primary industry sector, resulting in some distortion because a subsidiary may not be included in the industry in which it competes; and (3) figures are not included from large privately held companies. Copies of the study are available for $275 from Schonfeld & Associates, 120 South LaSalle St., Chicago, IL 60603.

Transportation

TABLE	TITLE
VI-1	Fleet car operating costs by region
VI-2	Five-year forecast of fleet car costs
VI-3	Automobile fleet purchase costs
VI-4	Auto mileage reimbursement plans
VI-5	Breakdown of fleet car operating costs
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A helpful subject-matter index to all statistical information appears on page 134.

Auto Carte

Avis Auto Carte is honored* by the following companies that have over 15,000 service centers nationwide.

Aamco
B.F. Goodrich
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General Tire Co.
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Yes, I'm interested in Auto Carte. Please have someone contact me.

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Your Name
Title
Address
City State Zip
Phone
Number of cars owned ____ leased ____
The average car is driven ________ miles per year.

Mail to: Larry Mazur, VP Marketing,
Avis Car Leasing, P.O. Box 117,
Carle Place, NY 11514 S1

TABLE VI-1
Fleet car operating costs by region

1=New England
2=Mid East
3=Great Lakes
4=Southeast
5=Plains
6=Southwest
7=Rocky Mountains
8=Far West

Regional Code	Running Expenses ¢/Mile	Standing Expenses $/Month
1	8.50¢	$259.38
2	9.69	259.23
3	8.62	265.94
4	8.82	263.69
5	8.47	254.39
6	9.50	264.93
7	9.47	263.34
8	9.73	280.27
U.S.	**9.02¢**	**$260.41**

1 = New England 5 = Plains
2 = Mid East 6 = Southwest
3 = Great Lakes 7 = Rocky Mountains
4 = Southeast 8 = Far West

Notes: Running expenses are incurred when a car is being driven, and include gasoline, oil, tires, and maintenance. Standing expenses are incurred whether or not the car is used, and include such fixed costs as insurance and license fees. Data cover leased and company-owned cars.
Source: Peterson, Howell & Heather, Inc., Center for Analysis and Research, which maintains a computerized data base on fleet car costs for its clients.

TABLE VI-2
Five-year forecast of fleet car costs

Running Expenses	¢/Mile 1983 Model Year	1988 Model Year	% Increase 1983–88
Gasoline	8.70¢	11.49¢	32.1%
Oil	0.11	.17	54.5
Maintenance	1.45	2.10	44.8
Tires	.70	.98	40.0
Total	**10.96¢**	**14.74¢**	**34.5%**

Standing Expenses	$/Month 1983 Model Year	1988 Model Year	% Increase 1983–88
Interest	$ 66.31	$ 86.40	30.3%
Depreciation	166.61	206.93	24.2
Insurance, license fees, etc.	72.19	115.50	60.0
Tolls & accidents	58.50	87.69	49.9
Total	**$363.61**	**$496.52**	**36.6%**

Note: Projection is based on a 6-cylinder Malibu-type car, a replacement policy of 55,000 miles or 36 months, and an annual inflation rate of 8%. The Center for Analysis and Research also made assumptions on fuel efficiency of cars, cost of money, and other factors. Data shown are composites for leased and company-owned cars. Forecast is in constant dollars.
Source: Peterson, Howell & Heather, Inc., Center for Analysis and Research.

TABLE VI-3
Automobile fleet purchase costs

Model	Fleet Purchase Price Eight-Cylinder 1983	1982	% Increase 1982–83	Six-Cylinder 1983	1982	% Increase 1982–83
American Motors Concord,[1] four-door sedan	—	—	—	$6,052	$5,597	8.1%
Chevrolet Caprice Classic, two-door sedan	$7,778	$7,145	8.9%	7,587	7,085	7.1
Dodge Diplomat Medallion, four-door sedan	8,252	7,641	8.0	8,061	7,582	6.3
Ford Crown Victoria-S,[2] four-door pillared	7,825	7,262	7.8	—	7,213	—
Mercury Zephyr,[3] four-door sedan	—	—	—	5,942	5,927	0.3
Oldsmobile Cutlass four-door sedan	8,038	7,569	6.2	7,847	7,510	4.5

Note: All prices include only the equipment that the manufacturer considers standard. Freight charges are not included. Fleet purchase prices will vary according to deals worked out by individual buyers and sellers.

[1] Not available as an eight-cylinder model.

[2] Continuation of 1982 LTD. Discontinued as a six-cylinder model.

[3] Not available as an eight-cylinder model. Four-cylinder model available at $5,741.

Source: Automobile Invoice Service, *New Car Cost Guide*.

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TABLE VI-4

Auto mileage reimbursement plans

Allowance Plan	*% Of Companies* *Consumer Products* **1982**	 *1981*	 *Industrial Products* **1982**	 *1981*	 *Other** **1982**	 *1981*
Single rate mileage allowance						
Under 15¢ per mile	**2.7%**	2.8%	**0.6%**	1.0%	**1.4%**	—
15¢ per mile	**5.4**	4.2	**0.9**	1.0	—	2.9%
16¢ per mile	—	—	**0.3**	1.0	—	1.5
17¢ per mile	—	4.2	**0.9**	3.9	—	10.1
18¢ per mile	**6.8**	12.5	**6.2**	10.4	**11.1**	14.5
19¢ per mile	—	4.2	**1.4**	6.2	**2.8**	5.8
20¢ per mile	**51.4**	48.6	**65.9**	49.5	**66.7**	40.6
21¢ per mile	**1.3**	1.3	**1.2**	1.0	**2.8**	2.9
Over 21¢ per mile	**6.8**	4.2	**5.9**	6.8	**2.8**	1.5
Fixed periodic allowance	**2.7**	5.6	**3.2**	3.9	**6.9**	7.2
Graduated mileage allowance	**1.3**	1.3	**5.0**	5.2	**4.1**	10.1
Combination allowances**	**8.1**	4.2	**2.6**	3.3	—	1.5
Other	**13.5**	6.9	**5.9**	6.8	**1.4**	1.4
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

*Includes services, financial institutions, transportation, utilities, etc.
**Typically include allowances per mile plus allowances per week or month.
Note: Some yearly differences reflect changes in companies reporting data.
Source: American Management Assns., *Executive Compensation Service*.

TABLE VI-5

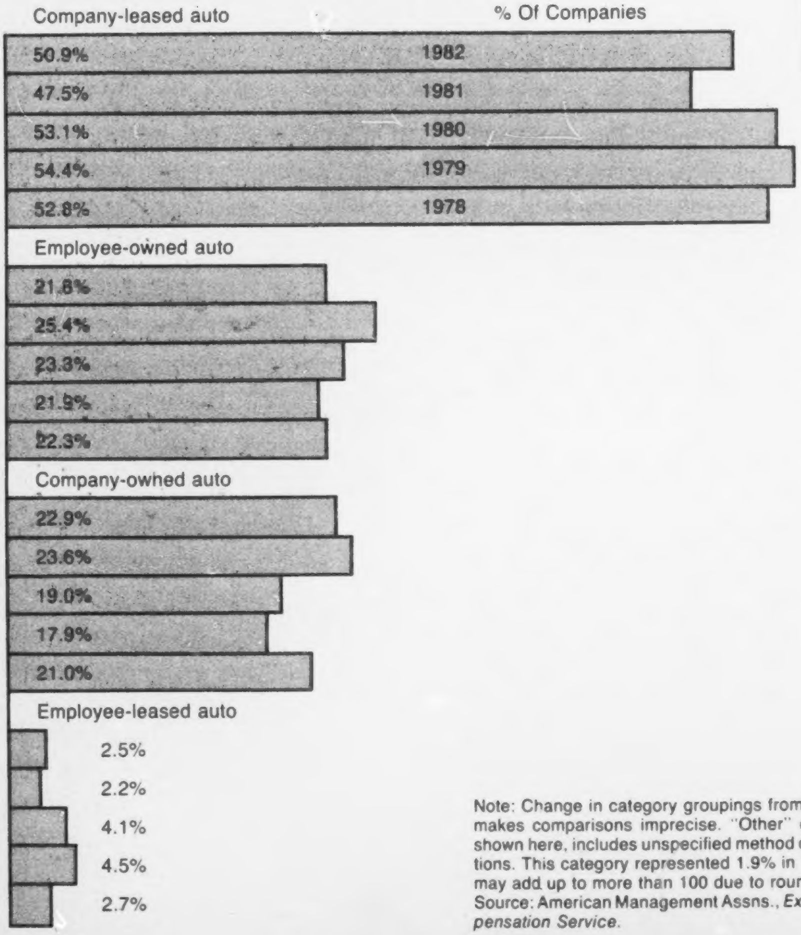
Breakdown of fleet car operating costs

Running Expenses	*1982* *¢/Mile*	*% Change* *1981–82*
Gasoline	6.87¢	− 10.7%
Oil	.11	N.C.
Maintenance & repairs	1.43	+ 10.0
Tires & tire repairs	.61	N.C.
Total	**9.02¢**	**− 7.1**
Standing Expenses	*1982* *$/Month*	*% Change* *1981–82*
Interest	$ 71.03	+ 10.2%
Provision for depreciation	163.31	+ 9.5
Depreciation adjustment	(18.02)	(+ 27.8)
Accident & theft loss	11.66	+ 4.5
License & taxes	12.62	+ 12.3
Insurance	21.78	+ 1.4
Other	(1.37)	(+ 522.7)
Total	**$260.41**[1]	**+ 7.4%**

[1] Interest component not included in last year's *Survey*, hence published total not directly comparable.
N.C.—No change.
Notes: "Other" includes warrenty recovery, accident, and theft expense recovery. Data cover both leased and company-owned cars of all sizes.
Source: Peterson, Howell & Heather, Inc., Center for Analysis and Research.

TABLE VI-6

Sources of autos used by salespeople



Note: Change in category groupings from year to year makes comparisons imprecise. "Other" category, not shown here, includes unspecified method of fleet operations. This category represented 1.9% in 1982. Details may add up to more than 100 due to rounding.
Source: American Management Assns., *Executive Compensation Service*.

TABLE VI-7

Projected costs for selected 1983 model cars

Make	Model	Annual Cost For 20,000 Miles Variable	Fixed	Total
Cadillac	DeVille	$1,980	$4,598	$6,578
Buick	Electra	2,010	3,892	5,902
Ford	T-Bird	1,790	3,383	5,173
Chevrolet	Impala	1,830	3,100	4,930
Chevrolet	Celebrity	1,590	3,046	4,636
Chev Diesel	Celebrity	1,280	3,297	4,577
Dodge	Aries	1,450	2,805	4,255
Toyota	Corolla TE	1,320	2,733	4,053
Ford	Escort	1,350	2,643	3,993
Datsun	Sentra[1]	1,190	2,534	3,724
VW Diesel	Rabbit[1]	1,040	2,586	3,626

[1] No power steering.

Notes: All cars similarly equipped (except where noted) including AT, PS, PDB, AC, tinted glass, AM radio, wheel covers, body side moldings, and remote left mirror. Costs include **variable expenses** (gas @ $1.55 per gal., diesel @ $1.45 per gal., oil, maintenance, and tires), and **fixed expenses** (insurance, depreciation, financing, taxes, and license), and are based on a 3 year/60,000 mile retention cycle.

Source: Runzheimer and Co., Inc., Rochester, WI; biennial *Survey and Analysis of Business Car Policies and Costs* and *Survey and Analysis of Business Travel Policies and Costs.*

TABLE VI-8

Average cost of 15 frequently made moves

Rank	From	To	1982 Cost	% Increase 1981–82
1.	New York	Miami	$2,640	+15.4%
2.	New York	Los Angeles	4,360	+16.0
3.	Chicago	Los Angeles	3,692	+15.8
4.	New York	Chicago	2,128	+14.4
5.	Chicago	New York	2,128	+14.4
6.	New York	San Francisco	4,472	+16.0
7.	Los Angeles	New York	4,360	+16.0
8.	New York	Washington, DC	1,584	+14.5
9.	Chicago	San Francisco	3,816	+15.9
10.	New York	Houston	3,060	+16.0
11.	Los Angeles	Chicago	3,692	+15.8
12.	Los Angeles	Seattle	2,340	+16.4
13.	Los Angeles	Houston	2,824	+16.5
14.	San Francisco	New York	4,472	+16.0
15.	Washington, DC	New York	1,468	+14.5
	Average of 15 moves		**$3,136**	**+15.8%**

Note: Based on average move of 8,000 lb. Excludes packing charges, which may vary within the areas indicated, depending upon origin of move. Costs between the same two cities may vary depending on the direction of the move. The 18% fuel surcharge reported last year was eliminated; all fuel costs now included in transportation rates.

Source: Sales & Marketing Management survey.

TABLE VI-9

Air fares for the 25 most travelled routes.

Rank	From	To	Range Of One-Way Coach Fares 1982	1981	% Change Coach Fare[1] 1981–82
1.	Boston	New York	$46–$95	$23–$77	+ 41.0%
2.	New York	Washington, DC	59–109	49–100	+ 12.8
3.	Los Angeles	New York	204–502	149–478	+ 12.6
4.	Los Angeles	San Francisco	41–134	36–106	+ 23.2
5.	Chicago	New York	119–227	89–201	+ 19.3
6.	Dallas	Houston	87–103	79–82	+ 18.0
7.	New York	San Francisco	204–525	105–478	+ 25.0
8.	Chicago	Los Angeles	144–362	149–367	– 1.9
9.	Detroit	New York	115–196	69–133	+ 54.0
10.	Atlanta	New York	196-212	172–177	+ 16.9
11.	Boston	Washington, DC	79–145	69–118	+ 19.8
12.	Buffalo	New York	117	29–49	+200.0
13.	Houston	New Orleans	104–114	42–98	+ 55.7
14.	Dallas	New York	254–296	254–264	+ 6.2
15.	Los Angeles	Oakland	41–134	36–106	+ 23.2
16.	Houston	New York	221–303	192–278	+ 11.5
17.	Cleveland	New York	105–158	59–148	+ 27.1
18.	Dallas	San Antonio	98	86–94	+ 8.9
19.	Chicago	Minneapolis	119–139	49–119	+ 53.6
20.	Los Angeles	Seattle	143–249	154–220	+ 4.8
21.	Chicago	Washington, DC	194	168–181	+ 11.1
22.	Los Angeles	San Jose	87	60	+ 45.7
23.	Chicago	San Francisco	185–394	169–368	+ 7.8
24.	Chicago	Detroit	98–117	83–98	+ 18.8
25.	Chicago	St. Louis	102–112	68–87	+ 38.1
	25-trip average		**$126–$205**	**$98–$179**	**+ 19.5%**

[1] The percent change in coach fares is based on the midpoint of the range for each year.

Note: Round-trip fare is double the one-way fare. Fares are for typical daytime business travel and do not reflect night or other special rates. Fare shown represents the range of one-way fares by all the airlines flying direct between the cities mentioned. All fares are rounded to the nearest dollar. Decreased competition, such as fewer airlines serving a route or ending of low-price fares that prevailed in 1981, accounted for substantial price changes in some markets in 1982.

Source: Civil Aeronautics Board, *Passenger Origin and Destination Survey; Official Airline Guide*, November 1982.

TABLE VI-10

Standard and economy car-rental rates

City Or Metro Area	Average Standard Rates $ Per Day/ ¢ Per Mile	Economy Rates $ Per Day/ ¢ Per Mile
Northeast		
Boston	$55.35	$51.00
Bridgeport-Stamford-Norwalk-Danbury	50.65	38.95
Buffalo	57.65/10¢[1]	40.95/30¢
Hartford	48.65	48.95
New York	62.35	55.00
Newark	59.00	54.00
Philadelphia	55.35	50.00
Pittsburgh	48.00	44.00
Providence	51.00	46.00
Rochester	55.00	43.95/25
Average	**$54.30/N.A.**	**$47.30/N.A.**
Midwest		
Chicago	$52.35	$49.00/32¢
Cincinnati	42.35	37.00
Cleveland	54.00	51.00/38
Columbus	47.65	40.00
Dayton	48.35	44.00
Detroit	47.65	47.95
Indianapolis	49.65	47.00/22
Kansas City, MO	47.65	45.00
Milwaukee	50.00	39.95
Minneapolis–St. Paul	45.00	43.00/20
Omaha	45.65	42.00
St. Louis	46.00	41.00
Toledo	45.65	45.00/10
Average	**$47.90**	**$44.00/N.A.**
South		
Atlanta	$43.35	$39.95
Baltimore	54.65	42.00
Birmingham	45.65	44.00/26¢
Greensboro, NC	41.65	40.00
Houston	48.65	44.95
Louisville	43.65	40.95
Memphis	45.65	44.00
Miami	37.35	31.00
Nashville	44.65	41.00
New Orleans	50.65	43.00
Oklahoma City	45.00	41.95
San Antonio	43.00	42.95
Tampa–St. Petersburg	$40.65	$37.00
Washington, DC	54.65	50.00
Average	**$45.65**	**$41.65/N.A.**
West		
Denver	$51.35/43¢[1]	$46.95
Los Angeles	49.35	44.00
Phoenix	43.65/31[1]	39.00
Portland	48.00/14[1]	44.00
Sacramento	50.65	50.00
Salt Lake City	50.00	39.95/33¢
San Diego	49.35	46.95
San Francisco	49.00	45.95
San Jose	49.65	45.95
Seattle	47.35	43.95
Average	**$48.85/N.A.**	**$44.65/N.A.**
Canada*		
Calgary	$41.75/17¢	$37.95
Montreal	42.95/17	42.95/17¢
Ottawa	37.95/15	37.95
Toronto	44.30/17	37.95/14
Vancouver	40.60/17	37.95/14
Winnipeg	42.30/12	43.95/13
Average	**$41.70/16¢**	**$39.80/15¢**

*Canadian dollars.

[1] Denotes city in which National rates do not include unlimited mileage.

N.A.—Not applicable due to varying rate structures.

Notes: Canadian rates include from 100 to unlimited kilometers. Where indicated, excess rates shown are per kilometer.

Avis and Hertz rates include unlimited mileage and National rates include unlimited mileage except as noted above. Where applicable, excess mileage rates are shown.

Economy car rates include unlimited mileage. Where applicable, mileage rates include up to 200 free miles.

Average standard rates are obtained from current Avis, Hertz, and National directories (in Canada, National is affiliated with Tilden); average economy rates obtained from current Budget directory. Rates are applicable to basic sedan such as Fairmont, Citation, or Concord and do not include gasoline. Rates shown here are the commonly used nondiscountable "dry rates" (no gas).

Competitive conditions in three markets resulted in standard rates being slightly below economy rates.

When comparing regional average standard and economy rates, allowance must be made for the fact that the charges include free mileage from 100 miles to unlimited.

Source: Sales & Marketing Management survey.

S&MM'S FOUR SURVEY ISSUES

Survey of Buying Power, published in July, includes the most current estimates of the demographic and socioeconomic factors of regions, states, metropolitan markets, counties, and cities.

Survey of Buying Power—Part II, published in October, rearranges the basic *Survey* data in terms of TV and newspaper markets so that markets can be evaluated in media terms; it also gives a five-year projection of metropolitan markets, as well as current data on merchandise line sales for several product categories.

Survey of Selling Costs, published in February, includes detailed information on the basic selling costs of the leading metropolitan markets in the U.S. and Canada, plus data on such marketing-related expenses as sales training, sales meetings, sales incentives, and salespeople's compensation.

Survey of Industrial Purchasing Power, published in April, provides data on the U.S. totals for 457 manufacturing industries as well as on the leading geographic markets of selected manufacturing and nonmanufacturing industries that buy goods and services from consumer and industrial manufacturers.

TABLE VI-11 *Average cost of moving between selected cities*

Moving costs between major cities

FROM / TO	ATLANTA	BOSTON	CHICAGO	COLUMBUS, OH	DENVER	DETROIT	HOUSTON	LOS ANGELES	MEMPHIS	MIAMI	NEW YORK	PHILADELPHIA	PHOENIX	ST. LOUIS	SAN FRANCISCO	SEATTLE	WASHINGTON, DC
ATLANTA		2,220	1,840	1,524	2,612	1,804	1,872	3,744	1,316	1,692	2,072	1,884	3,140	1,564	4,028	4,128	1,696
BOSTON	2,220		2,232	1,832	3,484	1,968	3,352	4,404	2,552	2,800	1,476	1,452	4,116	2,352	4,484	4,404	1,504
CHICAGO	1,896	2,232		1,580	2,200	1,604	2,344	3,692	1,812	2,700	2,128	2,024	3,192	1,608	3,816	3,692	1,912
COLUMBUS, OH	1,524	1,832	1,460		2,392	1,312	2,260	3,772	1,584	2,300	1,660	1,532	3,272	1,424	3,952	3,868	1,408
DENVER	2,612	3,484	2,200	2,392		2,500	2,144	2,496	2,496	3,512	3,256	3,048	1,848	1,968	2,432	2,560	2,960
DETROIT	1,804	1,968	1,484	1,312	2,500		2,500	3,864	1,820	2,600	1,820	1,700	3,392	1,568	3,952	3,864	1,568
HOUSTON	1,872	3,252	2,344	2,260	2,144	2,500		2,824	1,560	2,332	3,060	2,864	2,260	1,888	3,312	3,824	2,628
LOS ANGELES	3,744	4,404	3,692	3,772	2,496	3,864	2,824		3,280	4,140	4,360	4,320	1,388	3,280		2,340	4,144
MEMPHIS	1,412	2,552	1,680	1,584	2,496	1,820	1,560	3,280		2,100	2,384	2,180	2,700	1,388	3,716	3,864	2,008
MIAMI	1,692	2,760	2,660	2,260	3,512	2,560	2,332	4,140	2,100		2,600	2,412	3,784	2,372	4,388	4,576	2,244
NEW YORK	2,072	1,592	2,128	1,780	3,256	1,884	3,060	4,360	2,384	2,640		1,464	4,052	2,220	4,472	4,404	1,584
PHILADELPHIA	1,908	1,572	2,000	1,672	3,048	1,788	2,864	4,320	2,180	2,452	1,464		3,908	2,048	4,368	4,300	1,424
PHOENIX	3,140	4,116	3,192	3,372	1,848	3,392	2,260	1,388	2,700	3,784	4,052	3,908		2,748	1,864	2,700	3,772
ST. LOUIS	1,564	2,352	1,488	1,424	1,968	1,568	1,888	3,280	1,388	2,372	2,220	2,048	2,748		3,668	3,668	1,928
SAN FRANCISCO	4,028	4,484	3,816	3,952	2,432	3,952	3,312		3,716	4,388	4,472	4,368	1,864	3,668		1,956	4,260
SEATTLE	4,128	4,404	3,692	3,868	2,560	3,864	3,824	2,340	3,864	4,576	4,404	4,300	2,700	3,668	1,956		4,180
WASHINGTON, DC	1,696	1,504	1,856	1,408	2,960	1,568	2,628	4,144	2,008	2,244	1,468	1,316	3,772	1,928	4,260	4,180	

NOTE: Charges stated in dollars, based on an average move of 8,000 lb. Excludes packing and other charges which may vary within the areas indicated, depending on origin of move. Because moving rates are calculated from the city of origin, costs between the same two cities may vary depending on the direction of the move. Fuel costs included in transportation rates.

Source: Sales & Marketing Management survey.

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SALES & MARKETING MANAGEMENT

MARCH 14, 1983
A BILL PUBLICATION
FIVE DOLLARS

AN S&MM SPECIAL SECTION
TEST MARKETING
A test for the sales force, too
Page 55.

Dr Pepper
NO-CAL
NO-CAL SHAPE-UP
CANADA DRY
SUGAR FREE Dr Pepper
Cott
TONIC WATER
Welch's
wink
Dr Pepper Be a Pepper
12 FL OZ (354 ml)
CANADA DRY TONIC WATER
Tahitian Treat

Dr Pepper heals itself: Plagued by dissolving market share of its major brands and its first quarterly loss in 27 years, the soft-drink company's new marketing regime tries a different formula for growth. The prescription: Ads targeting older consumers, revised packaging strategy, and a new emphasis on local promotion and media placement that's designed to win back bottlers irked by a failed national gambit. Story begins on page 33.

Inside Out

More housing starts mean business for building-materials salespeople. Page 12.

Becton, Dickinson's healthy sales of thermometers are the result of its Flu Alert program. Page 13.

Huffy peddles Raleigh bicycles to gain entry into bike specialty stores. Page 16.

Burning issue. Kerosene heaters may be labelled unsafe, and that has the industry fired up. Page 24.

Fairness in advertising rates for local and national newspaper ads was an issue at a recent newspaper marketing meeting. Page 27.

Sales forecasting with computers can be precise—and cheap—says an industrial marketer. Page 39.

Businesspeople revolt against the White House for linking sales with foreign policy. Page 114.

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An S&MM Special Section: Sales Incentives. In an exclusive survey, readers tell how 1982's recession is affecting their incentive plans for this year. Apr. 4.

Survey of Industrial Purchasing Power. For the first time, data on both manufacturing and nonmanufacturing industries are included. Also, a guide to locating, by individual counties, where each industry does the most business. Apr. 25.

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BPA ABP MPA ABC

S&MM's
Special
Test marketing
Section

The true test of test marketing is time

While some manufacturers are willing to introduce a brand on the market after it has been successfully *consumer* tested, others believe that the large sums of advertising and promotion money involved in a national introduction dictate the wisdom of first subjecting that brand to an actual *sales or market test* in relatively small sections of the country.

This is not an easy decision; properly conducted market tests cost money, and what is even more important, they take time, thus delaying the introduction of the product and giving competitors an opportunity to match the new brand with one of their own. These negatives have to be evaluated against the risk of loss if the brand turns out to be a failure. To assist manufacturers in this decision, a detailed analysis of more than 100 market tests of new brand introductions has been prepared.

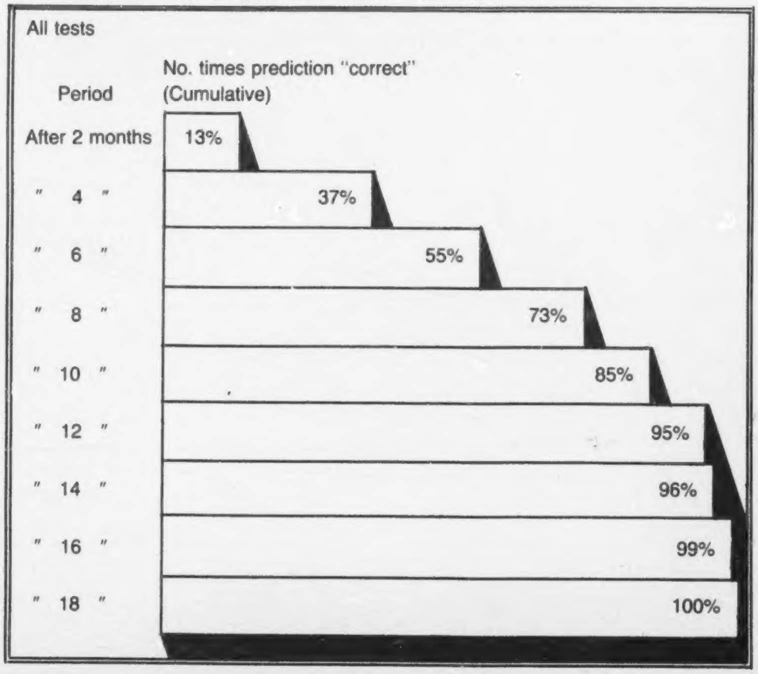
Chart 1 was developed by comparing share of market obtained after each 2-month period with the share of market at the end of an 18-month test. It was found that 13% of the tests, or one out of seven, could be correctly forecast after only two months, an *additional* 24%, or 37% in all, after four months, and so on. This results in producing odds for correctly forecasting final test results as follows:

After 2 months . . . 1 out of 7
After 4 months . . . 1 out of 3
After 6 months . . . 1 out of 2
After 8 months . . . 3 out of 4
After 10 months . . . 5 out of 6

Manufacturers understandably like to shorten the testing period. However, time is required to build retail store distribution, to induce a sufficient number of consumers to become interested in the existence of a new brand, to try it in their own homes and establish a repurchase pattern or buying habit.

Ten months appears to be about the minimum time interval before a manufacturer can be reasonably sure that he has arrived at a representative market share. Frequent readings of test market results during the early stages of the test can help one's understanding, but, if the test is stopped at the end of six months, the data developed in Chart 1 tell us that the chances are only 50:50 that

Chart 1
Advance forecasting of final test results



Excerpted from "The Nielsen Researcher," a publication of Marketing Research Group USA, an A.C. Nielsen Company.

we have a reliable reading of market share results.

It is reasonably safe to make a decision whether to "kill" the product or to expand its distribution after 10 months. Another word of warning here: this table of odds or probabilities is based on average experience and is, therefore, only a tool for guidance in what must remain a judgment decision. For example, the "use-up" rate of the test product may be slower or faster than average.

In examining how accurately test market results forecast national performance, it is necessary to assume that such factors as advertising rates, copy story, promotion mix, sales effort, product quality and characteristics, competitive retaliation, and seasonal and timing influences remain nearly the same in the country as a whole as they were in the test area or areas. Experience indicates that conditions are usually less favorable in the national introduction than they were in the test area. To evaluate how this affected performance, the national market share achievements of some 50 brands were compared with their actual test market results (Chart 2).

As shown in Chart 2, the national share of market actually came within ±5% of the test market results in 29% of the cases, within ±10% in 50% of the cases, and within ±20% in 81% of the cases. That is to say, if the test market indicated a 10% market share, in 8 out of 10 cases the national result was between an 8% and a 12%. Looking at it another way, the odds turned out to be about four

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to one that national performance will match test results within ±20%.

How much risk is involved in going national without pretesting in the marketplace? The data presented in Chart 3 provide an indication. They are not concerned with those brands whose national performance exceeded the test market results by more than 20% but rather only with those whose ultimate performance on the national market fell below the test figures by 20% or more. Actually, only 7 out of 53, or 13%, failed to achieve a national share of market within at least 80% of the test market results. This means that the odds for success, at least during the primary competitive growth cycle, are seven out of eight—once your brand has demonstrated its success in test markets.

Chart 2

National vs. test performance after one year

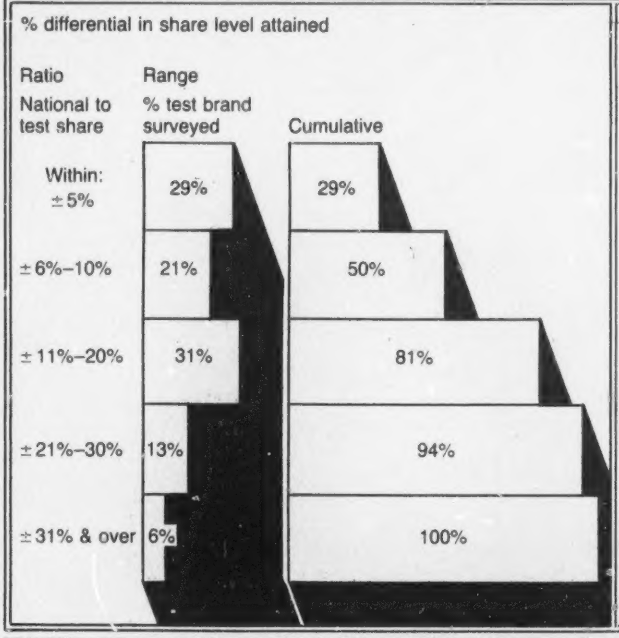
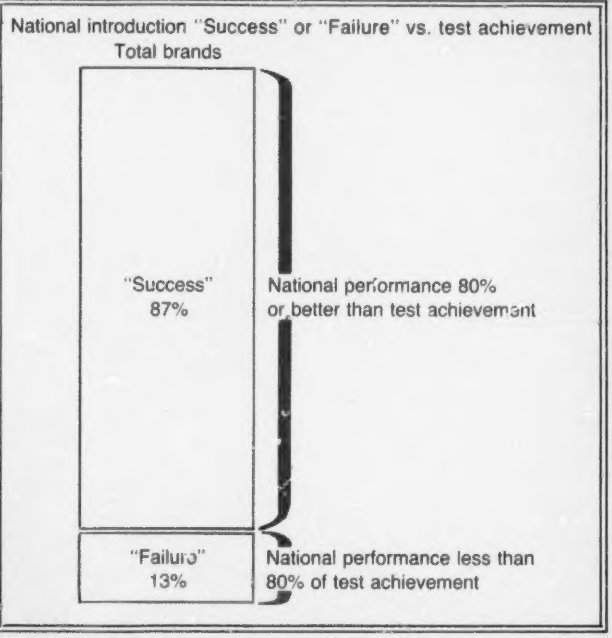


Chart 3

Division of brands pre-tested & nationally introduced



When you test-market in Springfield, Massachusetts it won't cost a lot to find out if you've got a winner or not.

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Source: 1982 Belden CMS

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SALES & MARKETING MANAGEMENT

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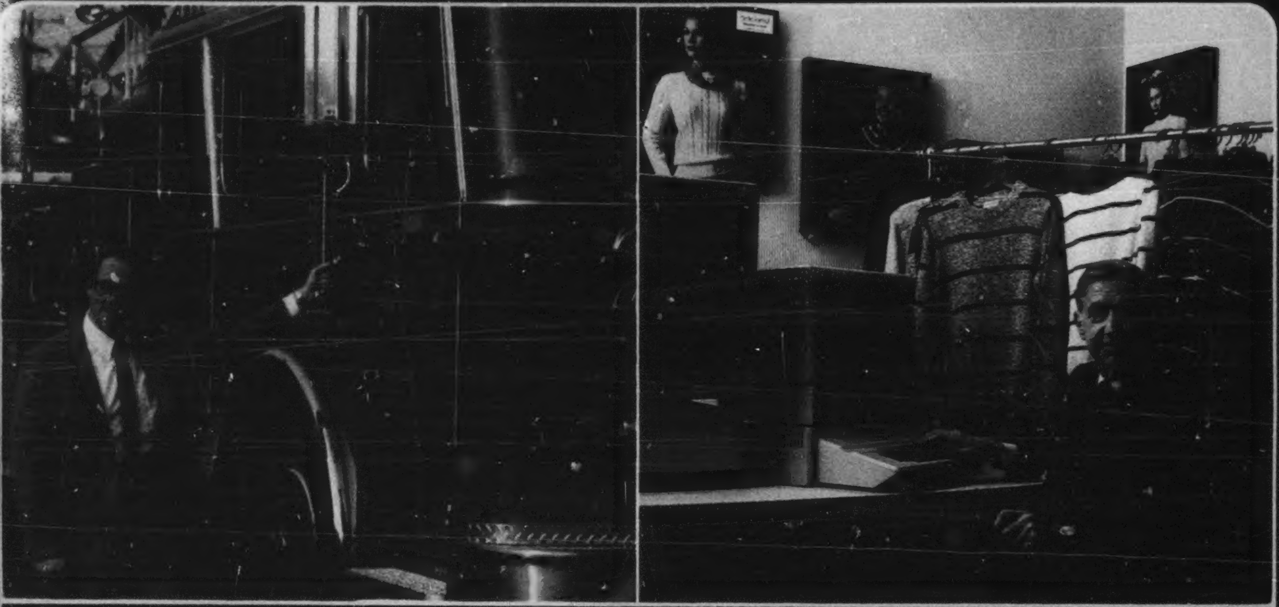
AN S&MM SPECIAL SECTION
Incentives meet the challenge
Page 63.



Sales and marketing to the rescue: The key to saving troubled companies lies in dealing quickly with such issues as shaping product lines and realigning distribution, say CEOs Stuart Ratos of FWD Corp. (l.) and Sidney Stogel of Garland Corp. They and other marketers are leading their companies back to prosperity from the brink of disaster by applying marketing basics. Page 35.

Inside Out

Big Blue wheels and deals. IBM offers unusual price discounts to help fend off competitors. Page 14.

Wanna buy a bridge? As the Brooklyn Bridge turns 100, merchandizers are getting a piece of it. Page 14.

Fast food is nameless at Hamburger Stand, a California back-to-basics burger chain. Page 15.

Winds of Washington. Congress debates product liability and resale price maintenance. Page 15.

Smaller is still better, fleet car operators say, despite cheaper gas and financing. Page 17.

If you're thinking of selling abroad, here are 12 tips for finding the right sales agent. Page 20.

Van de Kamp's name isn't Mexican, but its frozen entrées are. And they're spicing up sales. Page 26.

Dayton-Hudson takes aim with Target discount stores. Page 28.

S&MM Marketgraph: The affluent. Not only are there more millionaires but they're apt to be married. Page 48.

Financing of industrial equipment is a short-term solution for recession-weary companies. Page 138.

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An S&MM Special Section: Industrial Advertising. Ad executives at heavy-industrial companies, such as steel and chemicals, are shaping new sales promotions in preparation for a recovery. Apr. 25.

Olympia. Long a marketer of sturdy manual and electric typewriters, Olympia is betting its future on its electronic machines. May 16.

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S&MM MARKETGRAPH

The rich bring a gleam to the marketer's eye

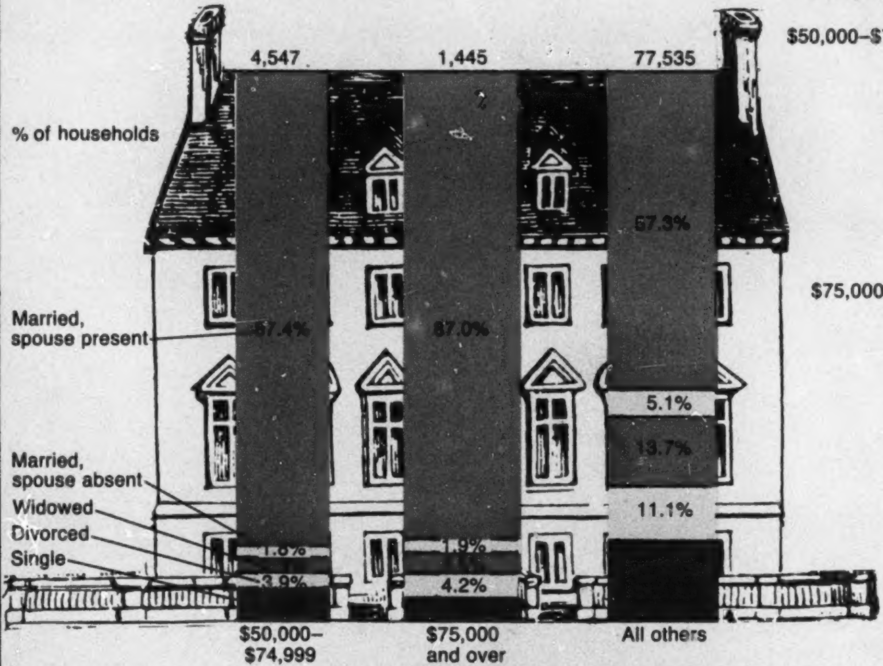
Democrats rail against them and President Reagan thinks they make the best friends, but marketers have long fixed their sights on upper-strata buyers with incomes of $50,000 and better. Happily for marketers, such buyers have rocketed from less than 1% of all families in 1970 to just under 10% in 1981.

Togetherness is one trait that sets the rich apart. Close to 90% of upper-income households are married couples vs. less than 60% of all other households. "This pattern has remained stable over the decade," the American Council of Life Insurance notes, "and stands in contrast to trends in the overall population."

While conservatives moan that punitive taxes crush the incentive to get rich, millionaires multiply, from 642 in 1970 to 2,014 in 1978 (latest year for which data are available), according to Internal Revenue Service reports. More than two-fifths (44%) live in just three states: California, New York, and Texas, homes of entertainment, finance, and oil.—TCT

Togetherness in the home . . .

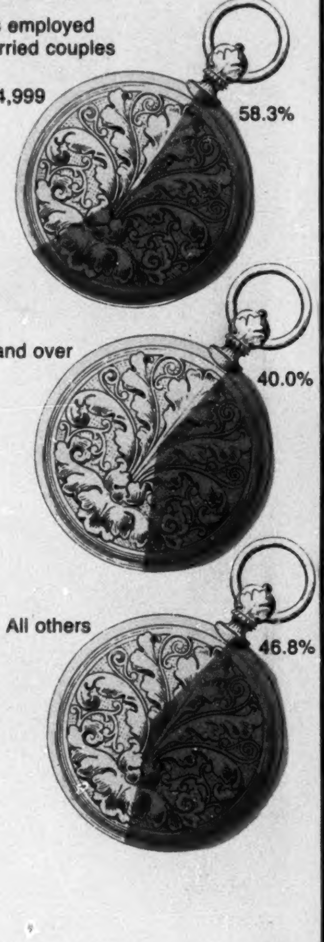
Total households (000)



Sources: American Council of Life Insurance, *Data Track 10: Above-Average Income Households and Families*; Census Bureau.

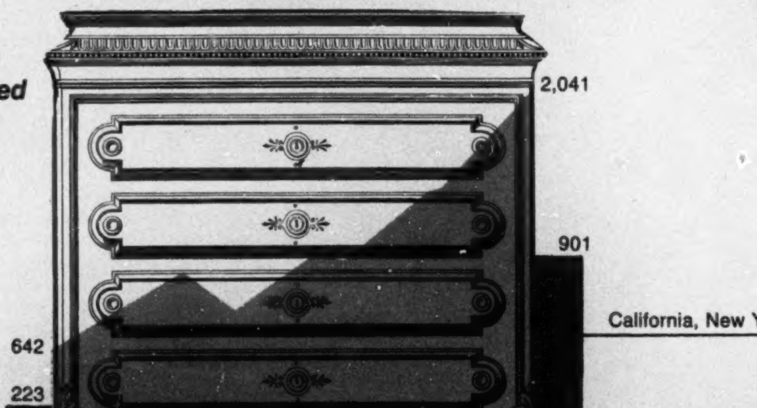
. . . and workplace

% of wives employed among married couples



Millionaires are far from a vanishing breed

Tax returns reporting $1 million or more in income



Source: Internal Revenue Service, *1978 Statistics of Income: Individual Income Tax Returns.*

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Make way for the motivators

Slumping sales have caused many sales managers to take a long, hard look at the value of incentives. The result? They will offer ever more programs in the coming year.

By Al URBANSKI
Associate Editor

It will be a year of challenge for sales incentives. At the outset of 1982, sales managers were seen increasing the amount of merchandise, travel, and cash incentives they offer to their sales organizations in an attempt to protect against the sharp claws of recession. Now, as the economy gets back on its feet, these same managers are faced with a difficult question: Will the same tack work in 1983? The answer is yes, judging from the results of a recent S&MM reader survey.

Among respondents who used sales force or dealer incentives last year, 43% plan to increase the number of programs they will offer in 1983, and 47% will keep the same amount (see tables). What's more, of the 40% of the sample that say 1982's recession caused them to alter current incentive plans, more than half indicate that their evaluations led them to increase their budgets or open up their programs to more participants.

"The sluggish economy forced us to examine our incentive program," says a midwestern marketing and sales director. "After analyzing the plan, however, we found it both justified and realistic." Says another: "We've decided to add intermediate, short-term programs to our existing yearly promotion in order to maintain market share."

Mailed to 1,500 subscribers in February, S&MM's exclusive survey of incentive usage explores the reasons why sales and marketing managers will—or will not—use incentive programs this year. The survey also asked readers to tell the types of awards they offer, why they offer the programs in the first place, who in their organizations are eligible to receive awards, and whether they use sales force recognition programs. The statistics quoted in this article and the accompanying tables are based on 277 replies received by the cutoff date.

Conservative trend

While a great number of sales managers are sure that more incentives are in order in 1983, indications are that others are not convinced. Nearly 40% of respondents say they will offer no incentives at all, a rise of seven percentage points over last year. In addition, one-fifth of this group say they won't sponsor incentive contests because they "tried them before and they didn't accomplish all of our objectives."

There are also a number of users who have been forced to cut back on incentives expenditures because of the lasting effects of poor 1982 sales. Almost one-third of sales managers who re-evaluated incentive plans because of the recession say they will reduce the scope of present programs. "We've instituted shorter-run sales contests that offer trips that are less expensive than the sales force is used to," writes a regional sales manager. "This at least keeps them out in the field working when things are slow."

Users are increasing programs, yet are being more conservative when it comes to program costs. While only 5% say they will decrease budgets in 1983, compared to 6% last year, fewer respondents plan to increase expenditures, and replies indicating no change are up eight percentage points. One way these budget-strapped managers appear to be coping is by eliminating recognition programs, top performer honors which go by various names: Salesperson of the Year, the Emerald Ring Society, the 105% Quota Club. Only 44% of companies sponsoring incentive programs in 1983 will also offer recognition programs, a

A. Survey results: The big picture

(Base: 277 replies)

1. Will your company or division offer merchandise, travel, cash, or other incentives (not including commissions) to your own or to outside salespeople this year?

Yes	60.3%
No	39.7

2. Does your company or division have a formal recognition program for top salespeople, such as a president's club or salesperson of the year award?

Yes	36.5%
No	63.5

3. Your line of business?

Industrial	41.5%
Consumer	31.0
Services	16.6
Distribution	12.2

4. Your annual sales?

$10 million or less	35.3%
$11–$25 million	16.2
$26–$50 million	12.2
$51–$100 million	12.6
$101–$500 million	12.2
$501 million or more	3.9

B. Incentive users and their plans for 1983

(Base: 167 replies)

1. Do you plan to increase or decrease the number of merchandise, travel, or cash incentive programs you offered last year?

Increase	43.1%
Stay the same	46.7
Decrease	3.5
Did not offer one last year	6.5

2. What is your approximate 1983 budget for incentive programs?

$4,999 or less	13.7%
$5,000–$9,999	9.5
$10,000–$24,999	21.5
$25,000–$49,999	17.3
$50,000–$99,999	10.7
$100,000–$249,999	13.1
$250,000–$499,999	6.5
$500,000–$999,999	1.1
$1 million or more	2.3

3. How does your 1983 budget compare with your 1982 budget?

Total increases	50.7%
Up 9% or less	10.7
Up 10%–19%	18.5
Up 20% or more	21.5
Stays the same	40.7
Decreases	4.6

4. To whom will you offer incentive programs?

Own field salespeople	82.6%
Field sales managers	42.5
Own inside salespeople	23.9
Distributor salespeople	22.7
Reps, brokers, or other outside agents	19.7
Other	8.3

5. What awards will you give?

Merchandise	61.6%
Travel	49.1
Cash	73.6
Noncash only	22.1
Cash only	17.9
Cash plus noncash	55.0

6. What reasons do you have for running an incentive program?

Achieve immediate sales gains	76.0%
Focus attention on specific products	61.6
Achieve long-range sales gains	53.8
Improve sales force morale	49.7
Sales force expects it	4.7
Forced to by competition	2.9
Other	3.5

7. Does your company or division have a formal recognition program for top salespeople?

Yes	43.7%
No	54.4

8. Your line of business?

Industrial	36.5%
Consumer	34.7
Distribution	14.3
Services	11.9

9. Your annual sales?

$10 million or less	27.5%
$11–$25 million	16.1
$26–$50 million	13.7
$51–$100 million	15.5
$101–$500 million	14.9
$501 million or more	3.5

C. Non-users and their future incentive plans

(Base: 110 replies)

1. Why won't you use merchandise, travel, or special cash incentives in 1983?

We don't feel they are necessary	28.0%
Tried them and they didn't accomplish our objectives	21.0
Too costly	14.5
Against company policy	11.0
Too time consuming	6.3
Our salespeople don't like them	4.5
We feel they are unfair	1.8
Other	25.4

2. Has your company or division used any merchandise, travel, or cash incentives in the last three years?

Yes	33.6%
No	60.9

3. Do you plan to offer such incentives in the future?

Yes	11.8%
No	40.0
Maybe	44.5

4. Does your company or division have a formal recognition program for top salespeople?

Yes	17.2%
No	69.0

5. Your line of business?

Industrial	49.0%
Consumer	25.4
Services	14.5
Distribution	9.0

6. Your annual sales?

$10 million or less	47.2%
$11–$25 million	16.3
$26–$50 million	10.9
$51–$100 million	8.1
$101–$500 million	8.1
$501 million or more	4.5

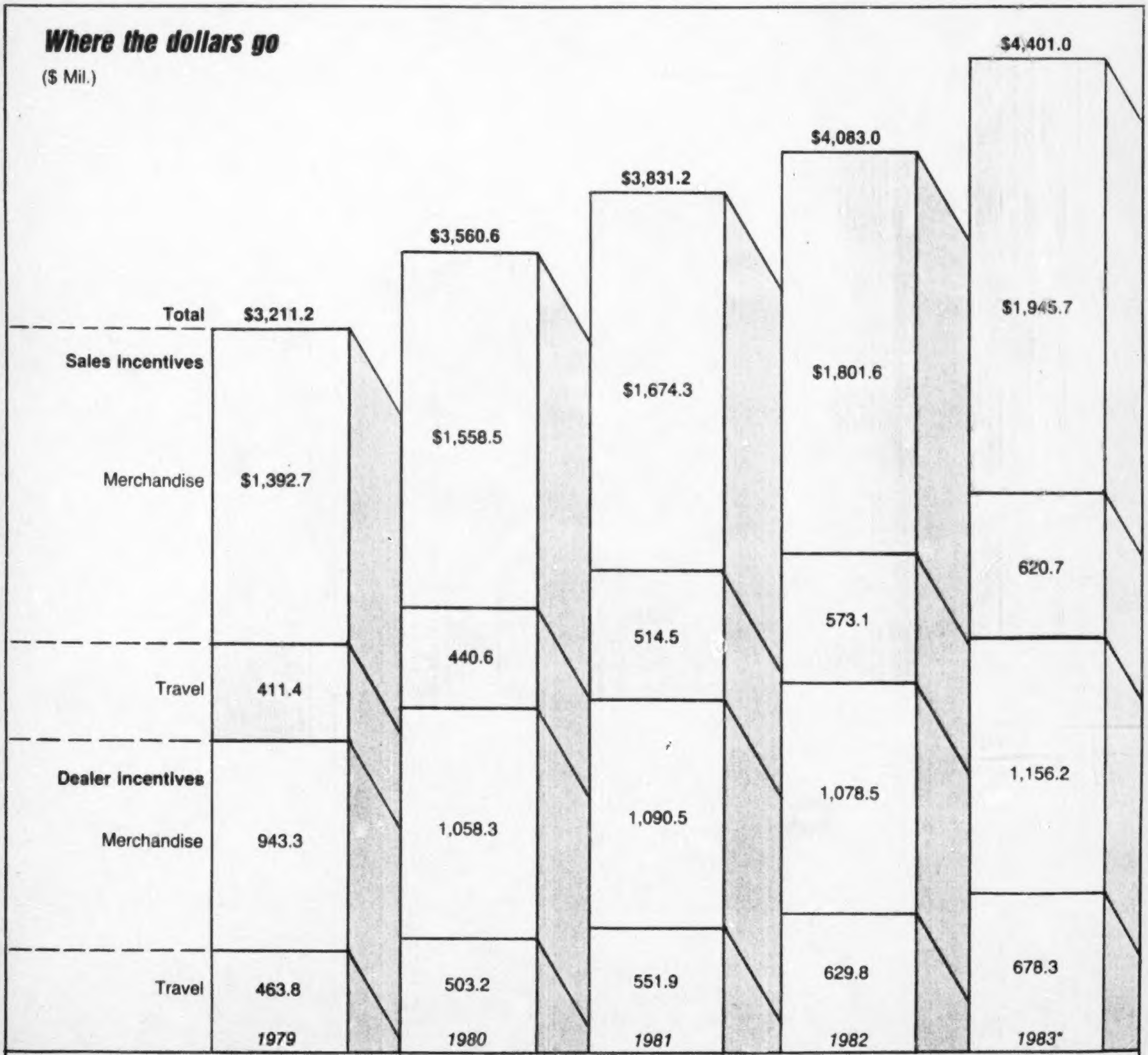
Percentages may total more or less than 100 because of multiple answers and no answers.

third fewer than said they would last year.

Incentive budget concerns may also be affecting the selection of contest prizes. Cash is still the most popular motivator, with 74% of respondents offering at least some greenbacks in their programs. Yet 62% of this year's incentive users, 17% more than last year, are using merchandise, which usually gives more value on the dollar and leaves a longer impression on winners. Only two-thirds of sales managers who said they would offer cash alone in 1982 will do the same this year, while 55% of all incentive users will present a mix of cash and noncash prizes, compared to 46% last year.

Incentive travel, it appears, will bear some of the brunt of economizing. Companies with incentive travel plans hold steady at 50%, yet a good number of cost-conscious incentive planners say that travel is where their knives will fall. "In order to reach all our salespeople effectively," says a sales manager who sliced his incentive budget more than 20%, "we had to eliminate our popular Hawaiian sales contest." Many other replies from budget-cutters carry similar news.

A great majority of incentive planners, 72%, also choose to save money by implementing their entire programs in-house. Those who do seek outside help



Figures exclude program promotion costs and the cost of cash and recognition awards.
*Estimate.
Source: *Incentive Marketing*, February 1983.

go most often to premium and incentive reps (73%), catalogue companies (36%), and ad promotion agencies (32%). Many also indicated using travel agencies.

Sales managers who have never used sales incentives or who are not familiar with them often want to know who uses them and why. Drawing from this year's survey, the typical incentive user is a consumer company with sales of about $275 million. Nearly three-quarters of respondents working for companies with sales ranging from $50 million to $500 million use incentives, most probably because of the large size of their sales forces. More than 67% of consumer product sales managers say they sponsored programs, compared to 53% of industrial managers. One surprise: Distributors generally rely on the companies they represent to offer sales rep incentives. Yet this year, 70% say they will also sponsor their own programs. This may have come about because fewer manufacturers are sponsoring distributor contests this year. About 23% of users say they will offer such contests in 1983, a drop of four percentage points from last year.

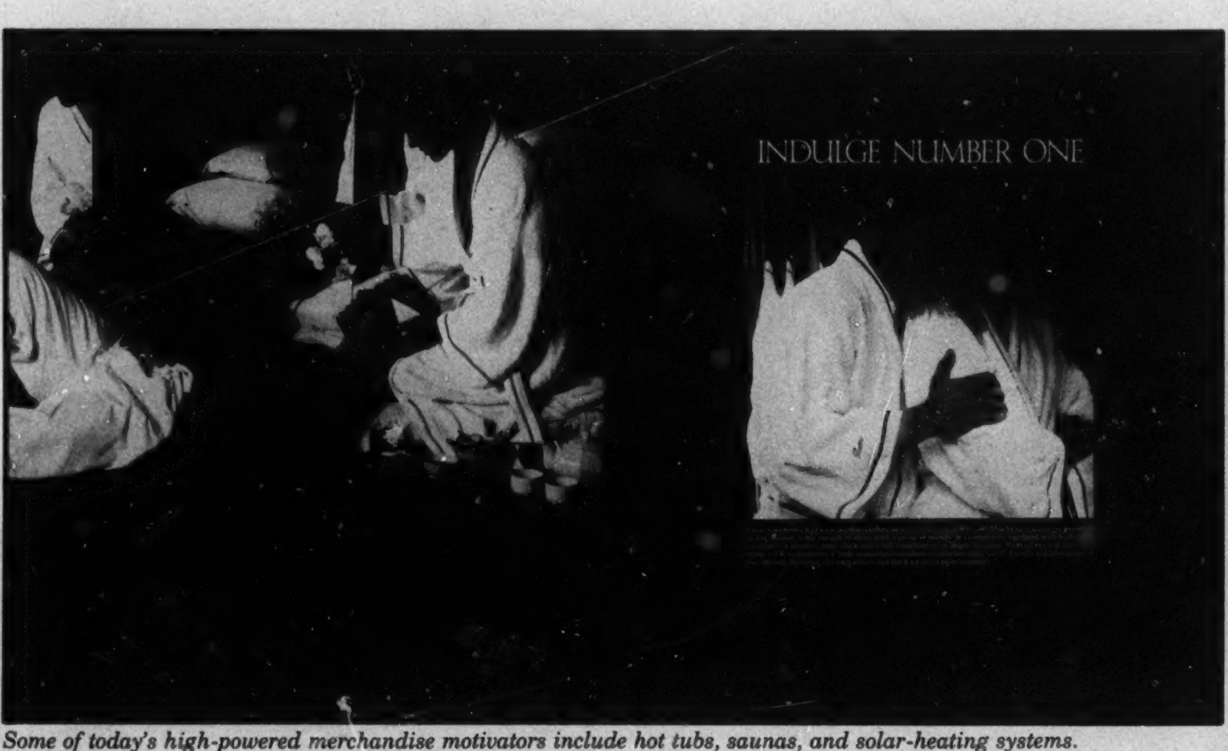
Only 20% of incentive planners have promotions slated for reps, brokers, or other outside sales agents this year, compared to 23% who said they did in 1982. As usual, the majority of incentive programs, 83%, will be staged to fire up field salespeople. Nearly 43% of field sales managers will be eligible for incentives, a drop of three points from last year. Next on the list come inside salespeople at 24%.

A surprise: 70% of distributors will run contests of their own.

Practitioners often describe incentives as a quick fix to solve immediate problems, and this year's crop of believers do not necessarily dispute this. Listing their reasons for running incentive programs, 76% say the purpose is to "achieve immediate sales gains." A further 62% say they plan to "focus attention on specific products," while 54% say they expect to see long-range sales gains as well. Only a few, 3%, claim their hands have been forced by a competitor's program.

Although more respondents to this year's survey say they have no incentive plans, a third more than last year, 12%, say they will offer contests in the future. A solid 40% of non-users say incentives are out of the question, and 45% haven't yet made up their minds.

Companies that do not use incentives are typically small industrial concerns. Nearly half of the sales managers who say in the survey that they have no incentive plans work for industrial companies with sales of $10 million or less. Only one-quarter of the non-user sample hails from consum-



Some of today's high-powered merchandise motivators include hot tubs, saunas, and solar-heating systems.

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er companies, and managers who put their company or division sales in the $100–$500 million range account for only 8% of such replies.

Not all sales managers who shy away from incentives do so because of budgetary problems or because their sales forces are too small to justify them. For some, incentives just don't fit the nature of their selling activity. A sales manager for a crayon company that sells to schools, for instance, says his customers buy only at preset times of the year when they meet to hash out budgets. "We've tried incentives before," he says, "but they had no effect because our reps are at the mercy of the scheduling whims of education boards. If incentives worked for us, we'd use them."

Companies not using incentives tend to be small industrial concerns.

Others simply may have had too many things on their minds in the past year. "I was involved with so many new product introductions and promotions," says a midwestern sales manager, "that I didn't have time to set up an incentive program."

On one company president's mind, however, was the overwhelming success of his favorite incentive program. "Incentives have worked so well for us that we've doubled our budget over the past three years," he writes, "and we've upped this year's spending more than 20%." S&MM